



Daily Report

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CONTENTS

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

UN Council Members Continue Meetings on Iraq [XINHUA]	1
Trend Towards Global Multipolarization Noted [XINHUA]	1
Asia-Pacific Pattern in 1990's Viewed	
[Hong Kong LIAOWANG OVERSEAS EDITION 13 Aug]	2
Article Views NATO-Warsaw Pact Relations	
[Hong Kong LIAOWANG OVERSEAS EDITION 6 Aug]	4
Iraq, Kuwait Plan To Attend Asian Games [AFP]	6
International TV Comedy Festival To Begin [XINHUA]	7
PRC Considers Bidding for 2000 Olympic Games [XINHUA]	7

Soviet Union

Shevardnadze, Qian Qichen To Meet in China [AFP]	7
Soviet Nationalities Delegation Visits Beijing	8
Meets With Peng Chong [XINHUA]	8
Attends Meetings [XINHUA]	8
Meets With Li Xuezhi [XINHUA]	8

Northeast Asia

Chinese Military Delegation Arrives in DPRK [XINHUA]	8
Qin Jiwei Honored [XINHUA]	8
DPRK Envoy Holds Press Conference in Beijing [XINHUA]	9
Japanese Diet Members To Visit [XINHUA]	9
North Korean Reportage on PRC Military Visit [cross-reference]	9

Southeast Asia & Pacific

Official Discusses Cambodian Joint Statement [XINHUA]	9
Cambodian Prime Minister Leaves for Bangkok [XINHUA]	10
Chinese Government Delegation Visits Laos [XINHUA]	10
Burmese, PRC Program To Combat Drugs Viewed [XINHUA]	10
Thai Delegation Visits Hebei 6 Jul [HEBEI RIBAO 20 Jul]	10
Sino-Australian Disarmament Consultations Continue [XINHUA]	11
New Zealand Agriculture Minister To Visit [XINHUA]	11

Near East & South Asia

523 Chinese Workers Return From Kuwait [XINHUA]	11
Embassy in Jordan Continues With Evacuation [Hong Kong WEN WEI PO 24 Aug]	11
Jordanian Foreign Minister Visits Beijing [AFP]	12
Meets With Li Peng [XINHUA]	12
Meets With Qian Qichen [XINHUA]	13
Li Peng Supports Iranian Stand on Gulf [Tehran IRNA]	13
Telecommunications Contract Concluded With Iran [CHINA DAILY 24 Aug]	13

Sub-Saharan Africa

Li Peng Meets With Mozambican Minister [XINHUA]	14
Culture Minister Leads Delegation to Chad [XINHUA]	14
NPC Vice Chairman Meets Gambian Visitors [XINHUA]	14
Former Tanzanian President Nyerere To Visit [XINHUA]	14

West Europe

Shanghai Mayor Meets FRG Transport Minister [JIEFANG RIBAO 20 Aug]	14
Government Accuses Vatican of Subverting Church [HONGKONG STANDARD 24 Aug]	15

East Europe

Article Views East German Government Crisis [RENMIN RIBAO 23 Aug]	15
Vice Foreign Minister Visits Albania [XINHUA]	16
Meets With Premier [XINHUA]	17
Vice Foreign Minister Visits Albania 22 Aug [cross-reference]	17

Latin America & Caribbean

China, Ecuador To Promote Agronomical Research [XINHUA]	17
Venezuelan Congressmen To Pay Goodwill Visit [XINHUA]	17

NATIONAL AFFAIRS

Political & Social

Model City of Spiritual Civilization Development [RENMIN RIBAO 9 Aug]	18
Li Peng Exhorts Efforts To Correct Malpractices [XINHUA]	21
Deng's Assessment of Zhao; Zhao's Current Life [Hong Kong KAIFANG 15 Aug]	22
Li Peng Urges Building Clean Government [XINHUA]	23
RENMIN RIBAO Article Views Subjectivity	26
Youth Federation Election; Conclusion of Plenum	31
Chairman Relected [XINHUA]	31
Plenary Session Concludes [XINHUA]	31
Li Tieying Attends Meeting on Higher Education [XINHUA]	31
CPC Army, Government Persons Reshuffled [Hong Kong KUANG CHIAO CHING 16 Aug]	32
Third Installment of TV Series Narrative [GUANGMING RIBAO 5 Aug]	34
Song Ping Urges Exploitation of Marine Resources [XINHUA]	38
Li Peng Expresses Sympathy For Flood Victims [XINHUA]	39
Li Ruihuan, Ding Guangen Attend Beijing Concert [XINHUA]	39
Publication Ceremony of Classical Works Described [Beijing TV]	39

Economic & Agricultural

Moves To Attract Foreign Investment Discussed [XINHUA]	40
Effects of Opening Policy Reaching Inland Areas [XINHUA]	40
Minister of Energy on Growth in Coal Production [XINHUA]	41
China Strives To Minimize Unemployment [XINHUA]	41
Article on Bank Savings-Market Relation [RENMIN RIBAO 13 Aug]	42
Minister of Materials on Steel Products Supply [RENMIN RIBAO 17 Aug]	44
Rural Investment Bank Registers Increased Savings [CHINA DAILY 24 Aug]	45
Developing Agriculture Receives Top Priority [XINHUA]	45

REGIONAL AFFAIRS

East Region

Yangtze Delta Attracts Foreign Enterprises [XINHUA]	47
Jiangsu's People's Congress on Economic Work [XINHUA RIBAO 16 Aug]	47

Jiangsu Inspection Meeting Discusses Situation	[XINHUA RIBAO 15 Aug]	48
Jiangsu Expands Foreign Economic Cooperation	[XINHUA RIBAO 2 Aug]	49
Zhejiang Increases Investment in Infrastructure	[XINHUA]	49
Shen Zulun Attends Commendation Meeting	[ZHEJIANG RIBAO 12 Aug]	50

Central-South Region

Guangdong Export Trade Shows Rapid Growth	[Guangdong Radio]	50
Shantou Attracts Foreign Investment	[XINHUA]	50
Hunan Holds Conference on Party School Work	[Changsha Radio]	51

Southwest Region

State Security Minister Inspects Lhasa	[Lhasa TV]	51
Asian Games Torch Relay in Tibet Begins	[XINHUA]	52
Yunnan Develops Hydropower Capacity	[XINHUA]	52

North Region

Xing Chongzhi Inspects Pingshan County	[HEBEI RIBAO 23 Jul]	52
Hebei Province's Semiannual Statistics	[HEBEI RIBAO 23 Jul]	53
Progress in Building State Projects Noted	[NEIMENGGU RIBAO 27 Jul]	54
Airport Terminal Built in Tianjin for Games	[XINHUA]	54

Northeast Region

Sun Weiben at People's Congress Discussion	[Harbin Radio]	55
Oil Tank Explosion Reported in Changchun	[Changchun Radio]	55
Robbers, Rapists Sentenced to Death	[Shenyang Radio]	55

Northwest Region

Gansu's Li Ziqi Views Family Planning Work	[Lanzhou Radio]	55
Gansu Discipline Inspection Conference Ends	[Lanzhou Radio]	56
Shaanxi Witnesses Steady Economic Growth	[Xian Radio]	56
Zhang Boxing Meets Conference Participants	[Xian Radio]	56
Views Party Work	[Xian Radio]	57

PRC MEDIA ON TAIWAN AFFAIRS

Taiwan's Attitude Toward Repatriation Viewed	[ZHONGGUO TONGXUN SHE]	58
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TAIWAN

'Goddess of Democracy' Ship Opens as Museum	[CNA]	59
Blame for Repatriates' Deaths Rejected	[Taipei International]	59
Yuan Passes Rules for Mainland Committee	[Taipei Radio]	59
Yuan Approves New Vice Foreign Minister	[CNA]	59

HONG KONG & MACAO

Hong Kong

Businessman Li Chia-Cheng Supports Games	[WEN WEI PO 21 Aug]	60
Hungary Applies To Set Up Office	[HONGKONG STANDARD 24 Aug]	60

General

UN Council Members Continue Meetings on Iraq

OW2408074790 Beijing XINHUA in English
0625 GMT 24 Aug 90

[Text] United Nations, August 23 (XINHUA)—The five permanent members of the Security Council—Britain, China, France, the Soviet Union and the United States, today continued their consultations on the U.S. proposed military action to enforce the embargo against Iraq, U.N. sources said.

U.S. Ambassador to the United Nations Thomas Pickering said progress has been made during the consultation after modifying the wording of the U.S.-proposed draft resolution which allows "minimum use of force" to enforce the U.N. mandatory economic sanction against Iraq. But the final version of the draft resolution is not available.

The United States has been trying to get approval of the resolution from the other four permanent members.

At the end of the consultation, which began in the afternoon at the French mission, the representatives of the big five agreed to report the results of the discussion to their respective governments and wait for further instructions, the sources said.

It was reported earlier that the Soviet Union was reluctant to support the U.S.-proposed military action against Iraq. It differed with the United States largely on the size of the U.N. role in overseeing the use of military force, and the timing of such a resolution.

However, the sources said, the Soviet position might be changed after U.S. Secretary of State James Baker telephoned his Soviet counterpart, Eduard A. Shevardnadze yesterday for Soviet support and cooperation on the issue.

If the United States and the Soviet Union could reach consensus on this subject tomorrow morning, the Security Council is expected to hold a formal consultation in the afternoon, followed by an official meeting to endorse the revised draft resolution, the sources said.

In his interview with XINHUA on August 21, Ambassador Li Daoyu, China's permanent representative to the United Nations, made it clear that China voted for the four Security Council resolutions adopted after the August-2 Iraqi invasion of Kuwait, and maintained that Iraq should withdraw all its forces from Kuwait immediately and unconditionally.

"At the same time," he said, "China is always opposed in principle to military involvement by big powers. The four resolutions adopted by the Security Council thus far imply no permission for military involvement by big powers and their naval blockade."

He reaffirmed that China advocates and supports a political solution to the Gulf crisis by peaceful means and full utilization of the existing mechanisms of the United Nations as well as the U.N. secretary-general's role of conciliation and mediation.

Trend Towards Global Multipolarization Noted

OW1508124390 Beijing XINHUA in English
1210 GMT 15 Aug 90

[Text] Beijing, August 15 (XINHUA)—The world nowadays is seeing a growing trend towards multipolarization as the national might of the superpowers is relatively fading, according to a bylined article carried by today's "PEOPLE'S DAILY."

The article, entitled "Multipolarization and Superpowers," noted that the West-East military confrontation alone in the past years has gradually been giving way to competition of comprehensive national might, and that economic power will play an increasingly important role.

In mid-July, the state leaders of the Soviet Union and West Germany astonished the Western world by announcing that the two countries had reached an agreement on the future status of a reunited Germany. The Soviet side agreed that a united Germany should have the right to choose its allies, knocking down the last barrier to unification of East and West Germany.

The article said that the leaders of the other Western countries appeared to be onlookers to those diplomatic maneuvers and knew nothing about the decision until it was announced.

This kind of event, to some extent, carried great symbolic significance, the article said. It quoted "THE CHRISTIAN SCIENCE MONITOR" as saying that the world has become more and more multipolar, and will no longer be manipulated by the superpowers.

In the past decades of the post-war East-West military confrontation, the article said, Western Europe relied heavily on protection provided by the U.S. nuclear umbrella. Although they repeatedly called for "independence and self-confidence" in U.S.-led NATO, this demand was largely ignored. However, the situation has changed as the confrontation gives way to dialogue. The U.S. nuclear umbrella is of less importance, and the rights of initiative are no longer in the hands of the Americans.

Moreover, British Prime Minister Margaret Thatcher recently put Western countries into three categories: those backed by the U.S. dollar, those by the Japanese yen and those by the German deutsche mark. Regardless of whether these categories match reality, the article notes, Thatcher's remarks have indicated that powers, at least those of economics, have been decentralized.

The article quotes a White House spokesman as saying that the United States has to resort to various kinds of elements, not just bombs, to maintain its leadership.

As for economic power, the article said, the U.S. leadership is that of past days. The U.S. GNP once accounted for half of the world's in the 1950s, but has declined to below 25 percent.

In 1985, the United States became the world's number one debtor nation, with its foreign debt running to a staggering 600 billion dollars. And it is expected that the its debt will break the ceiling of 1,000 billion dollars in the 1990s. With high budget and trade deficits, the United States has its hands and feet fettered in dealing with international affairs, the article said.

Just as the "WASHINGTON POST" has noted, the United States will, in five to 10 years, become only one of three countries that are more competitive and relatively equal in national might.

The article said, the change of international patterns indicates both crises and hope. Some countries worry that the post-war order might give way to post-war chaos, feeling concerned about their decline, while some are trying to play a new role in the future world.

Asia-Pacific Pattern in 1990's Viewed

HK2308061490 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 33, 13 Aug 90 pp 25-26

[Article by Wan Guang (8001 0342): "Evolution of the Postwar Asia-Pacific Pattern and Its Prospects in the 1990's"]

[Text] Since the end of the Second World War, the Asia-Pacific pattern has changed time and again. However, it is, after all, a region in the world where multi-polar development appeared relatively early.

The Periods in Which the Asian-Pacific Pattern Has Evolved Since the War

The postwar Asia-Pacific pattern has roughly evolved through the following periods:

1. The Asia-Pacific pattern in the early years after the war: By the Yalta Agreement and others, the United States and the Soviet Union not only carved out spheres of influence in Europe but also in some places in Asia, mainly in East Asia including China. Most of the regions in Southeast Asia, South Asia and West Asia were originally colonies of Britain, France, and the Netherlands.

2. The Asia-Pacific pattern in the period from the 1950's to the early 1960's: The success of China's revolution in 1949 and the successes of other Asian countries' national independence movements smashed the Asia-Pacific pattern in the early postwar period.

In 1950, China signed the Sino-Soviet Treaty of Friendship, Alliance, and Mutual Assistance with the Soviet Union.

From 1951 to 1954, the United States signed security treaties and mutual-defense treaties with Japan, the

Philippines, Australia, New Zealand, Pakistan, and other countries, and established the Southeast Asia Treaty Organization. In 1955, the Baghdad Treaty Organization was established. These military treaties and bloc networks organized by the United States were the components of its global strategy to keep the Soviet Union in check. They were also used to stem the upsurge of the postwar national independence movements of Asian countries. Some of them were aimed at stopping the influence of the success of China's revolution and at encircling China. The United States directly fought two wars in Asia by invading Korea and Vietnam. When a series of countries in Asia obtained independence, old colonists such as Britain and France suffered serious blows, and the United States did its utmost to take their place.

During this time, a structure of bipolar confrontation emerged in the Asia-Pacific region.

3. The Asia-Pacific pattern in the 1970's: Changes in the Asia-Pacific pattern began to take place in the early 1960's, with the breach of Sino-Soviet relations. In 1972, U.S. President Nixon visited China, and the same year China and Japan normalized their diplomatic relations. China then established diplomatic relations with Malaysia, the Philippines, and Thailand.

The Soviet Union signed treaties on friendly relations and cooperation with India and Vietnam in August 1971 and November 1978 respectively. In December 1978, Vietnam started invading Cambodia. In 1979, the Soviet Union sent its troops to occupy Afghanistan.

In the second half of the 1970's, the Asia-Pacific region still retained the pattern of bipolar confrontation. However, it had a different power combination from those in the 1950's and early 1960's.

4. The Asia-Pacific pattern since the 1980's: In the 1980's, the United States once again strengthened its military presence in the region. However, its ability to control Asia-Pacific affairs was weakened. In the 1970's, and especially during the second half, the Soviet Union strengthened its military presence in the region. However, its political influence decreased, while Japan's prestige and role rose in the region as a result of the growth of its economic strength.

China developed its economy amid reform and opening up and modified its foreign policy. China added new substance to its independent foreign policy of peace, namely that she does not ally herself with other big countries or establish strategic relations with them.

In the 1980's, the mutual-linking and mutual-conditioning quadrilateral relations among the United States, the Soviet Union, Japan, and China appeared in the Asia-Pacific region. Countries that had originally had close relations with either the United States or the Soviet Union modified their policies to varying degrees, and established relations with foreign countries in many

directions. Many countries increased their strength of maintaining independence and developed regional cooperation.

Since the beginning of the 1980's, the Asia-Pacific pattern differed from the bipolar confrontation under various combinations in the several periods after the war. It tended to be multipolar.

Some Scholars' Estimates of the Development of the Asia-Pacific Situation

In the 1980's, many scholars around the world began studying how the Asia-Pacific pattern would develop.

In the book "The Pacific: the New World Center," published in October 1983 and co-authored by Gemana [ge ma na 2047 7456 4780], Jiveier [ji bei er 0679 6296 1422], Pagneitai [pang nei ti ai 1690 0355 2748 1002], and Auduonar [ao duo na er 1159 1122 4780 1422], the four founders of the French Pacific Research Institute, they analyzed the several prospects of the Asia-Pacific region up to the 2000's: One is the multipolarization and non-dependence of the economy, which will be shouldered by all and will not accept the domination of the United States and the Soviet Union. Another is the "two-end politics" jointly administered by the United States and Japan.

In his book entitled "Central Equilibrium and the Issue of Security in East Asia," which was published in September 1984, (O'Neill), the then director of the London International Strategy Research Institute, held: The Asia-Pacific region will become politically multipolarized in the second half of the 1980's. Following the growth of its economic strength, Japan will become more independent politically, and the economic relations between Japan and the United States will become tense. China's strength will develop. ASEAN and the South Pacific Forum will strengthen alliance. The strength growth of regional countries will cause the superpowers, especially the United States, to be less able to act as they think fit.

In the article "The Future of Asia" carried in the U.S. quarterly DIPLOMACY, the American specialist in Asia's affairs Scalapino said: From now on, the trend in the Asia-Pacific region will be "regionalism" and "the process of Asianization," and "local countries are getting rid more and more of the influence of the two superpowers." "The rise of regionalism" is shown by the formation and development of ASEAN, the (Cooperative Alliance of the South Asian Region), the South Pacific Commission, and the South Pacific Forum. He held that in Northeast Asia the regionalism centered on Japan would emerge, and Japan would increase its economic functions within the region and in the world.

The book entitled the "Security in the Pacific Rim: Strategic and Policy Responses," compiled by (Grande) and others, and published in the United States and Britain in 1989, points out that the "new regionalism" is emerging in the Pacific Rim, and that it is entering a

"new era in which power will be spread among many Asia-Pacific countries." The regional powers that will have emerged include Japan, China, the ASEAN, and Australia.

The Report on the Policy Suggestions for the United States in the 1990's given by the Pacific Policy Research Team in September 1989, which was attended by some former senior government officials and scholars of the American Atlantic Commission Organization, holds that the fact that United States' influence in the Asia-Pacific region was quickly decreasing was a result of the "growth of economic nationalism" in this region, the emergence of "multi-centers of political and economic strength," and other factors. "The multi-centers of the regional and international structures" make it impossible for any single country to effectively rule this region. The variety of the many countries in the Pacific Basin enables them to form many different and changing combinations according to different problems.

For understanding the evolution of the Asia-Pacific pattern, the analyses and estimates of these scholars are worthy of reference. Nevertheless, how on earth will the Asia-Pacific pattern possibly develop?

A Preliminary Look at the Development of the Asia-Pacific Pattern in the 1990's

The 1990's is in a period of change or transition when the postwar pattern is being shattered while the new pattern has not come into being. The postwar Asia-Pacific pattern is also in another period of change.

Drastic changes are taking place in Europe; Germany is stepping up unification; the Soviet influence is drastically decreasing; the United States is also challenged; and the postwar European Yalta structural pattern is being shattered at its very bottom. Therefore, Europe has become more of an important strategic point for which all countries are scrambling.

The Asia-Pacific situation is not changing as drastically as that of Europe; deep changes are also taking place, though. Economic development of the Asia-Pacific region will continue to be in the world's forefront, and its political and strategic prestige will further be raised in the world.

The military confrontation between the United States and the Soviet Union will weaken, however the decreasing of their military presence in the Asia-Pacific region seems to be slower than in Europe. The influence of the United States and the Soviet Union on the Asia-Pacific region will be weakened further to varying degrees.

In 1989, the United States proposed the "Relations Among Pacific New Partners" policy in an attempt to maintain its dominant position in the Asia-Pacific region. However, it will face more challenges not only in Europe but also in the Asia-Pacific region. Some American scholars believe that the current U.S. policies

adapt to the multipolar development of the Asia-Pacific region and the world, and that the United States still needs to further adjust its Asia-Pacific policy.

Since Gorbachev came to power, he has sought to improve Soviet prestige and increase its influence in the Asia-Pacific region. However, since the Soviet Union is restricted by the current serious difficulties at home and abroad, including the changes in the European situation, its role in the Asia-Pacific region will depend on how it will develop and how its prestige and role will change in the international arena.

Japan's role in the Asia-Pacific region has been further enhanced. Being an economic superpower only next to the United States, Japan is vigorously pursuing "superpower diplomacy," increasing its political influence in the Asia-Pacific region, and in the West it is strengthening its prestige in the tripolar relationship with the United States and Europe. At the recent Group of Seven Summit, Japan demonstrated its role. Japan's military expenditures now rank third in the world, and it is working out a new five-year plan, which begins from 1991, to expand its armament. The question of where Japan is heading has given rise to doubts and worries among many Asia-Pacific countries.

When the United States and Japan are seeking to establish the "global partnership relations," their contradictions and competitions are being deepened. In the 1990's, they will further engage in the competition to scramble for the leading role in the Asia-Pacific region.

China plays an important role in the Asia-Pacific region. The fact that China maintains stability and development, pursues the peaceful policy of independence and self-initiative, and vigorously establishes and develops its good-neighborly and friendly relations in the Pacific Rim, will continue to play a positive part in promoting peace, stability and development in the Asia-Pacific region.

The mutually-linking and mutually-conditioning quadri-lateral relations among the United States, the Soviet Union, Japan, and China appearing in the 1980's will further develop in the 1990's.

Furthermore, the strength and influence of other countries in the Asia-Pacific region will increase. In the 1990's, more ASEAN countries will become new developing industrial countries, and the role of ASEAN in this region will be further strengthened. The strength and influence of India and other south Asian countries will increase, and Oceanic countries such as Australia will face the Asia-Pacific region more.

In the 1990's, following the development of Korea's North-South dialogue, the changes in the Korean peninsula will probably effect new changes in the international relations of northeast Asia. When the Cambodia's issue is being gradually resolved politically, there will also be new changes in the international relations in southeast Asia.

More changes will take place in the economic pattern of the Asia-Pacific region. The United States' economic preponderance will be weakened, while Japan will further strength itself and seek to replace the United States in some areas. Japan will probably organize an economic group to compete with the two economic groups, namely the United States and the European Community. Since the economic development of the Asia-Pacific region itself is unbalanced, some new developing industrial countries and regions will continue to develop relatively quickly, while some developing countries, for various reasons, will continue to develop slowly.

In view of the aforementioned factors, the multipolar trend of the Asia-Pacific region will develop more quickly in the 1990's.

The contradictions in the Asia-Pacific region are complicated, and changes have been taking place continually since the war. In the 1990's, new and significant changes will also take place in the relevant strength and combinations in the region. Therefore, in order to adjust to the changing situation, all countries are modifying their policies. Following the relevant strength and the incessant changes in combinations, a new Asia-Pacific pattern will probably be formed in the 21st century.

Article Views NATO-Warsaw Pact Relations

HK1508070390 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 32, 6 Aug 90, pp 23-24

[Article by Li Qinggong (2621 1987 0501): "Prospects of Changes in the North Atlantic Organization and the Warsaw Treaty Organization"]

[Text] Tense confrontation existed over a long time between NATO and the Warsaw Pact group, two large military blocs, but now they both are undergoing some unprecedented, major changes. At its summit meeting in London in early July, NATO substantially changed its political position toward the Soviet Union and the Warsaw Pact group, the defense concepts and military strategy that it had maintained for a long time, and the concept of the collective security and alliance in the West. U.S. President Bush described the summit meeting as "a turning point of historic significance for NATO."

According to the Western point of view, the major changes were made by NATO in light of the changes in the Warsaw Pact group. The major changes in the Warsaw Pact group began in the second half of last year. After the Soviet Union relaxed its policy toward the East European countries and tremendous changes occurred in their political situation, the Warsaw Pact organization gradually changed its character as an ideologically unified and tightly knit military organization involved in tense confrontation with NATO. Its organization became loose; its rallying force became weaker; and its military function was gradually disappearing.

The major changes appearing inside the two large military blocs of NATO and the Warsaw Pact organization will again attract the world's attention to Europe and will make Europe a political "hot spot." In view of the most important changes appearing in NATO and the Warsaw Pact organization, various major countries in the world are studying the characteristics of these changes, evaluating their significance, forecasting their prospects, and formulating countermeasures.

The changes in NATO and in the Warsaw Pact organization were changes caused by chain reactions. The changes in the Warsaw Pact organization were fundamental, and the changes in NATO were reactions. The political significance of changes in the Warsaw Pact organization was greater than the military significance, but the changes in NATO were of greater military significance. As a result, both sides began to announce that they would not "take each other as enemies" and would not "use force against the other side any more." The degree of confrontation between the two sides was reduced greatly. Members of the two blocs increased their political, economic, and even military exchanges, increased mutual understanding, and reduced mutual mistrust. Germany quickened the process of its reunification. East Germany and West Germany, which were member countries belonging to two confronting blocs, could hope for their reunification at an early date. The forefront between NATO and the Warsaw Pact organization was turned into a buffer area. It is certain that the two blocs will carry out reciprocal nuclear and conventional disarmament and will withdraw troops from Germany. After the agreement on convention disarmament in Europe is concluded, the two sides will deal with the issue of reducing short-range nuclear weapons. The NATO countries will gradually attenuate their vigilance against the Warsaw Pact organizations, and they have begun to provide large quantities of economic and technical assistance to the Soviet Union and other East European countries. The issue of Europe's unification has also been discussed, and NATO and the Warsaw Pact are both drawing up their respective programs and blueprints for the establishment of the new order in Europe. According to the "London Declaration" published after the NATO summit meeting, the relationship between NATO and the Warsaw Pact organization was "shifting from confrontation to friendship and cooperation."

Some deep-level factors played a decisive role in bringing about the major changes occurring in NATO and the Warsaw Pact organization and drawing the two sides close gradually. First, the countries in the two military blocs were exhausted by the long-standing tense military confrontation and the continuously escalating arms race, and both sides, especially the countries in the Warsaw Pact organization, hoped to shake off the shackles of the arms expansion which prevented them from developing their economies. So both sides had the intention of easing up their tense relations. Second, NATO and Warsaw Pact countries knew from historical

experience that they might seek temporary peace through making superficial compromises and concessions, but in order to maintain such detente on a long-term basis, there must be some fundamental changes inside the bloc. Third, the two world wars breaking out in Europe made both NATO and Warsaw Pact countries fear war. In order to prevent another war, they selected the vicious cycle of military confrontation and arms race due to some historical reasons.

History in the past more than 40 years showed that this selection could not subdue their fear of war, but just added too much mental stress on them. So they could not but seek another new way to ensure their real security. Fourth, peace and development are the two main trends in the contemporary world. The two blocs could not but also comply with the trends and adopted new policies, strategies, and postures. Finally, NATO and the Warsaw Pact had their respective strategic considerations. The Warsaw Pact countries tried to attract more funds and technical assistance from the West through their own changes so as to boost their economies and stabilize their domestic political situation. The NATO countries tried to lure the Warsaw Pact group to completely disarm itself through the changes they made, thus eventually eliminating the threats from the East and also "promoting the reforms" in the East. Although the two sides had different purposes, they still took similar steps to adjust their policies, revise their strategies, and change their postures. So the direct result was that the two sides draw closer to each other.

At present, the changes occurring in NATO and the Warsaw Pact organization will have a major impact on the European situation, further dispel the ominous clouds of nuclear terror staying in Europe's skies for a long time, promote the reunification of Germany, speed up the process of conventional disarmament in Europe, develop relations between countries in the East and West, promote Europe's economic development, and lay a foundation for the process of integration in Europe. However, the contradictions cannot be completely solved, and there remain some uncertain and even unstable factors.

The changes in NATO and the Warsaw Pact organization remain in the initial stage. Many people made various predictions about the prospects of the changes in these two blocs. Their opinions can be summarized mainly into three kinds. First, the two blocs will change their original character. The two organizations were established mainly for military purposes, and they were aimed at maintaining the spheres of influence divided between the East and the West, thus forming a balance of military strength in Europe and preventing the outbreak of a new world war. At present, the hostility of the two sides has reduced greatly, and the degree of confrontation has decreased substantially. The threats against one side's security from the other side will no longer be the primary consideration for the existence of these two organizations. NATO and the Warsaw Pact organization will thus change from military groups into political

alliances, and their main function will be to coordinate their internal political relations and to exert political influence on international affairs and on countries outside the two groups. Second, economic organizations will replace the military groups. After the security problem and the political differences are settled to a certain extent, the countries in the two groups will concentrate on economic development and technological progress. Third, the European Security Conference will replace NATO and the Warsaw Pact organization. The European Security and Cooperation Conference with the participation of 35 countries include all countries in NATO and in the Warsaw Pact organization. In order to turn the European Security Conference into a real Pan-European organization, a permanent secretariat, an organ for supervising elections, a conflict-prevention center, and a European parliament can be set up to perform political, economic, military, and other functions. This proposal put forward by the NATO summit meeting was similar to the Soviet proposal for establishing an "All-Europe Council."

At present, people's anticipations of the prospects of the changes in NATO and in the Warsaw Pact organization and of Europe's future only represent their wishes. It is certain that more profound changes will occur in NATO and in the Warsaw Pact organization, but it is hard to anticipate how the changes will happen, because there still exist many difficult problems in the process of changes.

First, NATO is trying to assimilate the Warsaw Pact organization. According to the present tendency, the NATO countries are trying to use the appearance of changes in the Soviet Union and other East European countries which are favorable to the West to lure them to rely on the West by offering large quantities of economic assistance, thus economically, politically, and militarily assimilating the Warsaw Pact organization so that it will just exist in name or will be "completely disintegrated." It is hard to imagine that the Soviet Union will allow NATO to swallow the Warsaw Pact organization in this way.

Second, the United States is trying hard to control Europe. Over a long time in the past, the United States continued to control the West European countries through NATO in order to safeguard its vested interests in Europe. Today, when major changes have occurred in the European situation, the United States still hope to maintain the existence of NATO in order to influence the European affairs. This time, the "London Declaration" issued by the NATO summit meeting was based on the proposal put forward by U.S. President Bush. On the German issue, the United States maintained that Germany after reunification should remain in NATO. In fact, it tried to continue to exert control over Germany through NATO. Not all European countries are now willing to be absolutely obedient to the United States which is trying to maintain its leading position.

Third, the West European countries are excluding the United States. At present, some people in Western Europe do not agree that Europe's security be determined by the United States alone with the Soviet Union, and they propose to build an "European force" with the United States being excluded so that Europeans themselves can handle their own security issue. It is hard to be accepted by the United States which has major strategic interests in Europe.

Fourth, it is hard to foresee the prospects of the Soviet Union and Eastern Europe. The internal changes in the Soviet Union and other East European countries constituted the direct factors that caused changes in NATO. However, some NATO countries, especially the United States, still have misgivings about the existing military strength and the armaments development tendency in the Soviet Union and have doubts about the changes in the situation of various East European countries. So changes in NATO always occurred some time later than those in the Warsaw Pact organization. In addition, because both sides still have to safeguard their respective interests, there will be certain limits to their changes. Therefore, it is expected that the changes in NATO and in the Warsaw Pact organization will be prolonged, complicated, and tortuous.

Iraq, Kuwait Plan To Attend Asian Games

HK2408114290 Hong Kong AFP in English
1113 GMT 24 Aug 90

[By Bruce Shu]

[Text] Beijing, Aug 24 (AFP)—Both Kuwait and Iraq will field teams to the Asian Games here next month even though Kuwait is under occupation and Baghdad no longer recognizes it as a country, spokesmen for the two countries said Friday.

"We will attend according to a decision taken before the invasion," Kuwaiti Embassy spokesman Shukri Naser al-Shraim said. "There is no change."

He said a number of Kuwaiti athletes had been training abroad when Iraq invaded their country on August 2, adding that a list of those participating could be submitted to the organizers "in a few days."

A spokesman for the Iraqi Embassy, Kais al-Yacoubi, said Iraqi athletes would "definitely" attend the Asian Games and that the country's soccer team was expected to arrive in Beijing next week.

When asked if Iraq would protest the participation of Kuwait, which Iraq annexed a week after the invasion, the spokesman said he had "no instructions."

He added that Iraq had submitted its list of participating athletes two days earlier.

During a visit to Beijing on Wednesday, the exiled Kuwaiti foreign minister declared that no Kuwaiti athlete would attend the games on the Iraqi team.

"Of course no delegation will attend the games in a joint team," Sheikh Sabah al-Ahmed al-Jaber told reporters.

The Beijing Asian Games Organizing Committee has not announced which of the 38 members of the Olympic Council of Asia (OCA) confirmed their attendance by the deadline Wednesday, a month before the games are to open on September 22.

The official New China News Agency (NCNA) has reported that both Iraq and Kuwait were among the 14 countries and territories that took part in a draw Thursday for places in the gymnastics competition.

Male gymnasts from the two countries will compete against each other and those from five other teams in the afternoon session September 23, NCNA said.

Both countries also drew for places Friday for basketball events and were placed in separate groups, the agency said.

Other Middle Eastern countries that participated in the drawings were Saudi Arabia, Syria, Jordan, Iran and the United Arab Emirates.

The Gulf crisis is seen as a test for the unity of the OCA, which includes the countries in east and central Asia.

The organization's permanent secretariat, based in Kuwait, has been shut down and its Kuwaiti president, Sheikh Fahd al-Ahmed al-Sabah, died defending the royal palace during the invasion.

The majority of OCA members have condemned Iraq's invasion and support the U.N. rejection of Kuwait's annexation.

China, which sees the games as a turning point in its effort to re-enter the international community after the crackdown on pro-democracy protests last year, nevertheless insists that the games will go on.

Beijing Mayor Chen Xitong, who is also chairman of the organizing committee, declared two days after the Iraqi invasion that the games "will be held according to schedule."

Since then other officials have given insights into Chinese concern, with Premier Li Peng saying of the OCA president's death: "The situation is calm and the position is clear. We must not panic."

The games' chief press officer, Wu Zhongyuan, has also acknowledged that the Middle East crisis would "certainly" affect the games, but said the problems "won't be large."

International TV Comedy Festival To Begin

OW2408080890 Beijing XINHUA in English
0735 GMT 24 Aug 90

[Text] Beijing, August 24 (XINHUA)—Comedies and humorous plays from more than 20 countries and

regions will be broadcast by eight local Chinese television stations starting tomorrow evening.

The international TV comedy festival, the first of its kind in China, will present comedies from Japan, India, the United States, France, Egypt, Nigeria, Eastern European countries and Hong Kong on Beijing television station and seven other local television stations in north China.

Station officials said some of the comedies have won international prizes and others feature famous comedians.

PRC Considers Bidding for 2000 Olympic Games

OW2408131990 Beijing XINHUA in English
1228 GMT 24 Aug 90

[Text] Beijing, August 24 (XINHUA)—A top Chinese Olympic Committee official said today that China is considering to bid for the 2,000 Olympic Games.

He Zhenliang, president of the Chinese Olympic Committee (COC) said China is taking an active attitude to bid for the Olympics in the year of 2000, on the basis of a success holding of the 11th Asian Games to held in Beijing from September 22 to October 7 this year.

Soviet Union

Shevardnadze, Qian Qichen To Meet in China

HK2408111590 Hong Kong AFP in English
1018 GMT 24 Aug 90

[Text] BEIJING, Aug 24 (AFP)—Soviet Foreign Minister Eduard Shevardnadze will meet his Chinese counterpart Qian Qichen on September 1 at an undisclosed location in China, a Soviet Embassy spokesman here said Friday.

The spokesman did not say where the meeting would take place, but hinted that it could be in Harbin, the capital of northeastern Heilongjiang Province, during a stopover by Mr. Shevardnadze on his way to Pyongyang.

The Soviet official is scheduled to visit the North Korean capital before heading for Tokyo, then going to the eastern Soviet port of Vladivostok, where he is expected to attend a conference from September 4 to 6, the spokesman said.

He would not say what the two would discuss, but did not discount the possibility that the Gulf crisis and Cambodia would be likely topics.

Moscow and Beijing have both condemned Iraq's August 2 invasion of Kuwait and suspended arms sales to Baghdad.

Both are among the five permanent members of the U.N. Security Council, and have been reluctant to support any

eventual use of military power in the Gulf to enforce U.N.-imposed economic sanctions against Iraq.

China has said, however, that it would not veto an eventual Security Council resolution allowing a multinational Western fleet in the Gulf to resort to force.

Soviet Nationalities Delegation Visits Beijing

Meets With Peng Chong

OW2308141590 Beijing XINHUA in English
0958 GMT 23 Aug 90

[Text] Beijing, August 23 (XINHUA)—Peng Chong, vice-chairman of the Standing Committee of the National People's Congress (NPC), met here today with a delegation from the Commissions of the Soviet Nationalities of the Supreme Soviet of the Soviet Union.

The delegation is led by U.K. Sharipov, a member of the Presidium of the Supreme Soviet.

Attends Meetings

OW2108115590 Beijing XINHUA in English
1140 GMT 21 Aug 90

[Text] Beijing, August 21 (XINHUA)—Ngapoi Ngawang Jigme, vice-chairman of the Standing Committee of the National People's Congress (NPC) and chairman of the NPC Nationalities Committee, met with and hosted a dinner for a delegation of the Commission of the Soviet Nationalities of the Supreme Soviet of the Soviet Union here this evening.

The Soviet delegation led by U.K. Sharipov, member of the Presidium of the Supreme Soviet of the Soviet Union, are here as guests of the NPC Nationalities Committee.

Meets With Li Xuezhi

OW2208091490 Beijing XINHUA in English
0727 GMT 22 Aug 90

[Text] Beijing, August 22 (XINHUA)—Li Xuezhi, vice-chairman of the Nationalities Committee of China's National People's Congress (NPC) held working talks with a delegation from the Commission of the Soviet of Nationalities of the Supreme Soviet of the Soviet Union here today.

The delegation led by U.K. Sharipov, member of the Presidium of the Supreme Soviet of the Soviet Union, is here for a two-week good-will visit at the invitation of the NPC Nationalities Committee.

Northeast Asia

Chinese Military Delegation Arrives in DPRK

OW2308142850 Beijing XINHUA in English
1402 GMT 23 Aug 90

[Text] Pyongyang, August 23 (XINHUA)—A Chinese military delegation headed by Defence Minister Qin Jiwei arrived here by train today for a eight-day goodwill visit.

The delegation, which includes a general, three lieutenant generals and a major general of the Chinese People's Liberation Army, was welcomed by more than 1,000 Pyongyang residents as well as officers and men of the Korean People's Army led by O Chin-u, vice marshal of the Korean People's Army and minister of the People's Armed Forces.

The leading Korean newspaper "NODONG SINMUN" carried an editorial hailing the visit. It said the visit would contribute to a further development of the friendly cooperative relations between the two countries and two peoples. Qin, who is also a member of the Political Bureau of the Chinese Communist Party Central Committee, met with and held talks today with O Chin-u, who is also member of the Presidium of the Political Bureau of the Korean Worker's Party Central Committee.

O spoke highly of the profound friendship cemented by the peoples and armies of the two countries in their long-term common struggle. He said that the Chinese people and volunteers fought side by side with the Korean People's Army during the Korean Liberation War and fostered an inseparable relationship of comrades and comrades-in-arms.

Qin said that for more than half of a century, the peoples and Armies of the two countries had supported and helped each other both in war and peace. He expressed his belief that the friendly relations between the two peoples and two Armies will further develop.

Chinese Ambassador to DPRK Zheng Yi and Military Attach Wang Dahui were present at the meeting and talks.

Qin Jiwei Honored

OW2408084790 Beijing XINHUA Domestic Service
in Chinese 0451 GMT 24 Aug 90

[By reporter Li Nengqing]

[Text] Pyongyang, 23 Aug (XINHUA)—O Chin-u, member of the Standing Committee of the Political Bureau of the Korean Workers Party Central Committee and minister of the Korean Ministry of People's Armed Forces, hosted a banquet at the Mansudae Assembly Hall this evening in honor of a Chinese military friendship delegation. The delegation is headed by Qin Jiwei,

member of the Political Bureau of the CPC Central Committee, state councillor, and concurrently minister of National Defense.

O Chin-u opened his speech by saying that the Chinese military friendship delegation is paying a visit to Korea at a historic moment, when the Korean people and Korean People's Army are preparing to greet the 40th anniversary of the Chinese People's Volunteers' participation in the Korean war. He said: The participation in the Korean war by the Chinese People's Volunteers embodied the militant friendship and fraternal feelings between the Chinese and Korean peoples and served as an outstanding example of proletarian internationalism.

He said: The Chinese People's Liberation Army (PLA) recently launched activities within the Army to strengthen the party's leadership and build closer links with the masses. Under the leadership of the CPC, with Jiang Zemin as the nucleus, the fraternal Chinese people and PLA have scored achievements in safeguarding socialism, carrying out the modernization drive, and building up defense capability. The Korean people and Korean People's Army are happy for the achievements of the Chinese people and PLA, and regard such achievements as their own.

O Chin-u continued: In accordance with Comrade Kim Il-song's new year message and policy speech at the First Session of the Ninth Supreme People's Assembly, the Korean people and Korean People's Army are whipping up a new upsurge in building socialism on all fronts and "waging an active struggle to realize the five principles for the motherland's reunification."

He added: The Korean people and Korean People's Army have cherished and will continue to cherish very much the traditional Korean-Chinese friendship. They will do everything within their capacity to pass on such friendship one generation after another.

In reply, Qin Jiwei said: For several decades, the Korean people have thoroughly experienced the pains of separation and made unremitting efforts to realize Korean unification. In May this year, President Kim Il-song put forward the five principles for Korean unification. China resolutely supports the cause of Korean unification. China has always insisted that the United States should withdraw troops from South Korea and that the Korean people should be allowed to solve the reunification problem free of foreign intervention.

Qin Jiwei said: There are traditional friendly relations between Chinese and Korean peoples and Armies. In the protracted struggle, the peoples of the two countries have supported each other and fostered a profound friendship. Regardless of changes in the international situation in the future, the Chinese people and PLA will, as always, continue to work for the development of friendship between the Armies of the two countries.

Chinese Ambassador to Korea Zheng Yi; Major General Tian Sheng, member of the Chinese People's Volunteer

Army of the Korean-Chinese side to the Korean Military Armistice Commission; and Wang Dahui, military attache of the Chinese Embassy in Korea, also attended the banquet.

DPRK Envoy Holds Press Conference in Beijing

OW2308141890 Beijing XINHUA in English
0820 GMT 23 Aug 90

[Text] Beijing, August 23 (XINHUA)—Chu Chang-Chun, ambassador of the Democratic People's Republic of Korea (DPRK) to China, explained the situation of the inter-Korean exchanges of people at a press conference here this morning.

Describing the pan-national rally in Panmunjom August 15, the ambassador said that participants discussed measures and policies for the reunification of Korea and adopted relevant documents.

He also exposed the attempts of the South Korean authorities to obstruct free exchanges between the representatives from the North and South during the rally.

Japanese Diet Members To Visit

OW2308131790 Beijing XINHUA in English
0828 GMT 23 Aug 90

[Text] Beijing, August 23 (XINHUA)—A delegation from the Japanese sports-enthusiast Diet members league will visit China from August 27 to 30.

Led by Yoshio Sakurachi, speaker of the House of Representatives and also head of the league, the Diet members will be guests of Wan Li, chairman of the Standing Committee of the National People's Congress of China and honorary chairman of the Organizing Committee for the 11th Asian Games.

North Korean Reportage on PRC Military Visit

WA2308172090

For North Korean reportage on the visit to Pyongyang by a PRC "goodwill military delegation," including meetings between Qin Jiwei, PRC minister of national defense, and O Chin-u, minister of DPRK People's Armed Forces, and other activities marking the visit, see the North Korean section of the 23 August and subsequent issues of the East Asia DAILY REPORT.

Southeast Asia & Pacific

Official Discusses Cambodian Joint Statement

OW2308113390 Beijing XINHUA in English
0715 GMT 23 Aug 90

[Text] Beijing, August 23 (XINHUA)—Chinese Vice-Premier Wu Xueqian today said the joint statement of Cambodian leaders is conducive to prompting a political settlement of the Cambodia issue.

Wu was meeting with a visiting group of officials from the Thai Foreign Ministry, which is led by the under secretary of state for foreign affairs, Kasemsamson Kasemsi.

Wu said the time is ripe for a political settlement of the Cambodian issue.

"The joint statement issued by Samdech Norodom Sihanouk and other leaders of the three parties of the Cambodian resistance force is conducive to prompting the process of a political settlement of the Cambodia issue," he said.

Kasemsamson Kasemsi also spoke highly of the joint statement. He expressed admiration for China's efforts to solve the Cambodia issue.

Later today, Chinese Foreign Minister Qian Qichen met with the Thai visitors, who arrived here August 21 as guests of the Chinese Foreign Ministry.

The Thai group held talks with Chinese Assistant Foreign Minister Xu Dunxin Wednesday. The two sides exchanged views on the Cambodian issue.

Cambodian Prime Minister Leaves for Bangkok

OW2308132490 Beijing XINHUA in English
1154 GMT 23 Aug 90

[Text] Beijing, August 23 (Xinhua)—Prime Minister of the national government of Cambodia Son Sann left here this evening by plane for Bangkok.

Seeing him off at the airport were Xu Dunxin, assistant foreign minister of China, and Chan Youran, Cambodian ambassador to China.

Chinese Government Delegation Visits Laos

OW2308140190 Beijing XINHUA in English
1024 GMT 23 Aug 90

[Text] Hanoi, August 23 (XINHUA)—China and Laos are making efforts to solve their border question, according to reports reaching here from Vientiane today.

A Chinese Government delegation is paying an official visit to Laos for talks with Lao officials on the border issue.

The Chinese delegation, led by Vice-Minister of Foreign Affairs Qi Huaiyuan, arrived in Vientiane, capital of Laos, on August 19.

Phoun Sipaseut, vice-chairman of the Lao Council of Ministers and minister for foreign affairs, met with the Chinese vice foreign minister on Monday.

Phoun briefed the Chinese delegation on the situation in Laos and the progress of its economic reforms.

Referring to the border line between the two countries, Phoun said that there is no big problem and "the talks

between the two sides during the current visit would be a factor that will bring about a lasting solution to the issue."

Both Phoun and Qi believed that the cooperation in various fields between the two sides has been improving step by step.

On August 20, the visiting Chinese delegation held talks with a Lao Government delegation led by Soulivong phrasithideth [name as received], vice foreign minister. They discussed the issue of border line between the two countries and other aspects of bilateral relations as well as international issues of common concern.

China and Laos share a common border of 460 kilometers.

Burmese, PRC Program To Combat Drugs Viewed

OW2408102690 Beijing XINHUA in English
1000 GMT 24 Aug 90

[Text] Yangon [Rangoon], August 24 (XINHUA)—A senior Myanmar [Burma] official said here today that he believes the Myanmar-Chinese cooperation in fighting against narcotic drugs will be effective through the joint efforts of the two sides.

Maj-Gen. Khin Nyunt, secretary (1) of the Myanmar State Law and Order Restoration Council (SLORC), made the remark when he met with the visiting Chinese public security delegation for suppression of drug trafficking led by Yuan Yongyuan, deputy director-general of the criminal investigation department of the Public Security Ministry.

The SLORC secretary said that the Myanmar-Chinese cooperation will be part of the regional cooperation in combating narcotic drugs.

He noted that Myanmar and China could cooperate in the fields of exchange of information, dealing of drug trafficking cases, mutual investigations, training of personnel and planting substitution crops.

He expressed satisfaction with the programs of cooperation put forward by the Myanmar and Chinese delegations in their discussions yesterday.

The SLORC secretary also briefed the Chinese visitors on the drug abuse control work carried out by the Myanmar Government.

Thai Delegation Visits Hebei 6 Jul

SK2208134690 Shijiazhuang HEBEI RIBAO
in Chinese 20 Jul 90 p 1

[Text] An eight-member Thai defense delegation led by Lieutenant General Waqilapeng Pengwang came to Shijiazhuang for a freindly visit on 6 July. The host and the guests held cordial talks on our country's current building of a militia reserve service and on future

development. That evening, Mayor General Han Shiqian, commander of the provincial military district, held a banquet in honor of the delegation.

Sino-Australian Disarmament Consultations Continue
OW2408073790 Beijing XINHUA in English
0651 GMT 24 Aug 90

[Text] Beijing, August 24 (XINHUA)—Chinese Foreign Minister Qian Qichen met here today with Mike Costello, deputy secretary of the Department for Foreign Affairs and Trade of Australia.

Costello is here for the fourth round of Sino-Australian consultation on disarmament.

The two sides exchanged views on current major international issues.

Yesterday, Chinese Deputy Foreign Minister Liu Huaqiu held consultations with Costello about disarmament. They also exchanged views on the Gulf situation. Australian Ambassador to China David Sadleir was present on the occasion.

Chinese Assistant Foreign Minister Xu Dunxin today held talks with Costello on the Cambodia question.

New Zealand Agriculture Minister To Visit
OW2408072890 Beijing XINHUA in English
0622 GMT 24 Aug 90

[Text] Wellington, August 24 (XINHUA)—New Zealand Minister of Agriculture and Forestry Jim Sutton will visit China September 10-14.

According to an announcement by Mike Moore, minister of foreign affairs and trade, and the minister of agriculture today, the visit will take place at the invitation of China's Minister of Forestry Gao Dezhan.

"The visit by the minister is part of the NZ [New Zealand] Government's policy of maintaining contact with China and progressively returning towards normal relations as circumstances permit. All high level contact with China is still being considered on a case by case basis," Moore said.

"We need to continue to meet and talk at senior levels with the Chinese Government," he said, adding that "Sutton's China visit will allow us to discuss other aspects of our political and economic relationship with China."

"The visit to China is both necessary and timely to move forward the relationship with China on forestry matters," he said.

Moore considered China a major regional economy with enormous potential as a market for New Zealand. He said, "It has a key political role to play in the region, particularly in regard to resolving the situation in Cambodia and the Korean peninsula. China is also taking a

growing interest in the South Pacific and in a number of regional institutions including APEC [Asian-Pacific Economic Cooperation] and the South Pacific forum."

Sutton noted that the year to June 30 was a difficult one for New Zealand's exports to China, with total exports slipping from 538.85 million N.Z. dollars (332 million U.S. dollars) in 1988/89 to 156.47 million (96.2 million U.S. dollars). The biggest component in the figures was wool.

"I will be seeking an update on the wool situation when I meet the relevant Chinese ministers to discuss aspects of the agricultural, trade and economic relationships. For the moment the signs of a gradual resumption of wool purchasing by China are promising," the minister said.

Near East & South Asia

523 Chinese Workers Return From Kuwait
OW2408112390 Beijing XINHUA in English
1104 GMT 24 Aug 90

[Text] Beijing, August 24 (XINHUA)—A total of 523 Chinese who had been working in Kuwait, primarily construction workers on contracted projects, arrived here on a chartered plane and two regular CAAC [Civil Aviation Administration of China] flights this afternoon.

A Hong Kong businessman was among them.

The returnees flew to Beijing from Amman capital of Jordan, and Sharjah in the United Arab Emirates.

State Council Secretary-General Luo Gan and leading officials from other relevant departments greeted them at the airport.

Luo boarded the planes and conveyed regards from Chinese Premier Li Peng to the passengers.

Immediately after the Gulf crisis broke out, he said, the Chinese Communist Party Central Committee and the State Council felt concern for those Chinese working in Kuwait and decided to evacuate them as soon as possible.

Today, he said, "we are delighted that the first group of compatriots has returned home safely."

Luo wished them a quick reunion with their families and a smooth return to work.

His speech was greeted with warm applause from the home-comers.

Embassy in Jordan Continues With Evacuation
HK2408024790 Hong Kong WEN WEI PO in Chinese
24 Aug 90 p 2

["Chinese Embassy in Jordan Says Closure of Jordanian Border Will Not Affect Evacuation of Chinese"]

[Text] Oman, 23 Aug (WEN WEI PO)—First secretary of the Chinese Embassy in Jordan Yang Deqi confirmed to our reporter today that Tang Wei-min [0781 0251 3046], a businessman from Hong Kong, has left Oman together with 1,179 mainlanders aboard five special CAAC planes. They are expected to reach Beijing tomorrow morning [24 August].

Yang Deqi also said: Though Jordanian authorities have declared closure of its border with Iraq to avoid the inrush of refugees that may cause handling difficulty, it is still possible that Jordan will give special permit of entry to those Chinese (be they mainlanders, Hong Kong people, or Taiwanese) who have reached the border, as long as the Chinese Embassy continues to provide written pledges for them, because (1) the CAAC [Civil Aviation Authority of China] is able to offer special flights to take them out of Jordan at any time, and (2) the Chinese Embassy can provide board and lodging for all the Chinese compatriots in Oman.

He revealed that he had received a notice from the Chinese Foreign Ministry in Beijing: Five Hong Kong people who are stuck in Kuwait will be transferred to Jordan under the arrangement of the Chinese Embassy in Kuwait. They should have arrived in Jordan if it were not for the difficulty in finding a vehicle and the consideration for their safety on the way.

Yang Deqi also revealed that three more specially arranged planes will arrive in Oman tomorrow [24 Aug] and will be able to evacuate all the Chinese now in Jordan. It is learned that there are altogether 735 Chinese still in Jordan, including 136 Taiwanese.

Yang Deqi stressed: The position that the Chinese Government maintains is that once Taiwan or Hong Kong compatriots make their difficulties, whatever they are, known to us, we must spare no effort to help them overcome these difficulties. Their own preferences will be respected as to whether they would choose to leave right away or stay for another few days, or whether they would take special CAAC flights or use other transports.

Jordanian Foreign Minister Visits Beijing

HK2408124890 Hong Kong AFP in English
1213 GMT 24 Aug 90

[Text] Beijing, Aug 24 (AFP)—Jordanian Foreign Minister Marwan al-Qasim told Chinese Premier Li Peng on Friday that Jordan and China shared concern over the Gulf situation.

Speaking during a meeting with Mr. Li attended by the press, he said, "Our two countries are concerned by the danger in the region.

"We believe that in several days or weeks we are going to be confronted with an event of global significance," he said referring to the risk of an outbreak of hostilities in the Gulf.

Mr. Qasim, who arrived in Beijing Friday for a short visit, handed Mr. Li a letter from Jordan's King Husayn who is working towards a negotiated settlement to the crisis.

The foreign minister described talks held earlier with his Chinese counterpart Qian Qichen as "very important and constructive."

His visit followed that two days earlier of the foreign minister of the Kuwaiti government-in-exile, Sheikh Sabah al-Ahmad al-Jabir.

Sheikh Sabah reportedly received assurances from the Chinese that they would not veto a United Nations Security Council resolution authorising the use of force by Western ships in the Gulf to maintain the embargo on Iraq.

China has condemned the invasion of Kuwait and suspended arms sales to Iraq, but opposes the deployment of Western forces in the Gulf, arguing the crisis should be resolved peacefully by the Arab countries.

Meets With Li Peng

OW2408134790 Beijing XINHUA in English
1329 GMT 24 Aug 90

[Text] Beijing, August 24 (XINHUA)—Chinese Premier Li Peng reiterated here today that China stands for solving the Gulf crisis within the scope of the Arab countries and is against big power military involvement, in order to prevent the situation deteriorating further.

In a meeting with Jordanian Deputy Prime Minister and Foreign Minister Marwan S. al-Qasim, Li said China voted for Resolutions 660, 661, 662 and 664 adopted by the United Nations Security Council and will implement them sincerely.

The Chinese premier warmly welcomed the Jordanian deputy prime minister, who has come to visit China at a time when the Gulf situation is sharply deteriorating.

He said China appreciates Jordan's mediation efforts for a peaceful solution to the current crisis.

Al-Qasim explained to Li Jordan's views on the Gulf crisis and its efforts to overcome the crisis.

He said the only way to solve the Gulf crisis is through peaceful consultations.

He said that if war breaks out the Gulf will suffer more losses and world peace will be endangered.

Li Peng said China always holds that relations among countries should be based on the five principles of peaceful coexistence, and that countries should solve their differences and disputes through equal consultations. China is against the use of military power by one country against another, he stressed.

He added that China supports the efforts made by the Arab League and the Gulf Co-Operation Council to solve the Gulf crisis.

Meets With Qian Qichen

*OW2408134990 Beijing XINHUA in English
1335 GMT 24 Aug 90*

[Text] Beijing, August 24 (XINHUA)—Chinese Foreign Minister Qian Qichen held talks here this afternoon with Marwan al-Qasim, Jordanian deputy prime minister and minister of foreign affairs.

They exchanged views on the Gulf situation.

Al-Qasim informed Qian of Jordan's views on the Gulf situation and the efforts it had made in solving the crisis there.

Qian extended a welcome to Al-Qasim and expressed gratitude for all the conveniences and help accorded by the Jordanian Government to the Chinese nationals when they were evacuated from Kuwait for home via Jordan.

He reiterated China's principle stand on the Gulf crisis and expressed appreciation for the Jordanian Government's endeavor to solve the Gulf crisis.

He said China, Jordan and other Arab countries all stand for an immediate and unconditional withdrawal of Iraqi troops from Kuwait in response to the relevant resolutions passed by the United Nations Security Council in a bid to restore the independence, sovereignty and territorial integrity of Kuwait, and for a political solution to the Gulf crisis within the scope of the Arab countries.

Al-Qasim arrived here this morning on a working visit to China.

Li Peng Supports Iranian Stand on Gulf

*LD1808200390 Tehran IRNA in English
1729 GMT 18 Aug 90*

[Text] Tehran, Aug. 18, IRNA—Minister of Post, Telegraph and Telephone Mohammad Gharazi, currently visiting Beijing, told Chinese Premier Li Peng on Saturday that Iran opposed any aggression and favored the pull-out of foreign forces from the region.

The Chinese prime minister voiced support for the Islamic Republic's stance and said the policy of his country was identical to that of Iran.

Li Peng also reiterated Beijing's opposition to the presence of the superpowers in the Persian Gulf which he said would heighten tension in the region.

The two were referring to Iraq's August 2 invasion of Kuwait which was followed by U.N.-led economic sanctions against Baghdad and an unprecedented build-up of foreign forces led by the U.S. in the Persian Gulf.

Gharazi said "we have time and again announced that we are against occupation of countries...we honor U.N. approvals and for this reason we have condemned the Iraqi aggression against Kuwait."

"Iran, as the most stable and strongest country in the region will not accept any geographical changes in the region, believing that the crisis in the region should be solved by regional countries," Gharazi said.

The two also discussed mutual cooperation in telecommunications and [word indistinct].

Telecommunications Contract Concluded With Iran

*HK2408021490 Beijing CHINA DAILY in English
24 Aug 90 p 2*

[By staff reporter Huang Xiang]

[Text] Sino-Iranian co-operation in the field of post and telecommunication promises a big jump as the two sides have just sealed a \$40-million contract and pledged more.

Under the contract, the largest ever in the industry between the two nations, Iran will purchase \$40 million worth of cable from China, CHINA DAILY learned yesterday.

This was actually the second such cable deal between China and Iran since Iran purchased \$14 million worth of the Chinese-made products in 1989.

The new contract was signed last Saturday by Yang Taifang, the Chinese minister of Posts and Telecommunications, and his Iranian counterpart, who headed an 11 member delegation to China last Friday.

A ministry official said the Iranian Government was pondering the purchase of computer-controlled telephones from Shanghai-Bell, a Shanghai-based Sino-American joint venture.

Iran plans to raise its business volume in post and telecommunication with China to \$100 million in the next few years, from \$14 million in 1989.

During their stay in China, the Iranian officials have also discussed possibilities with various Chinese departments to purchase Chinese teletext and fax machines, microwave transmission equipment and satellite stations.

"If we are competitive enough in terms of prices, big deals are possible," said the official.

Along with the purchase contract, the two sides have also concluded a memorandum of understanding concerning technology transfer, personnel training and the opening of new businesses.

China has maintained a small mail business with Iran since the early 1970s.

Sub-Saharan Africa

Li Peng Meets With Mozambican Minister

OW2308125090 Beijing XINHUA in English
1146 GMT 23 Aug 90

[Text] Beijing, August 23 (XINHUA)—Chinese Premier Li Peng said here today that the correctness of a policy is determined by whether or not it promotes political and social stability and economic growth.

He said this at a meeting with visiting Mozambique Foreign Minister Pascoal Manuel Mocumbi and his party at the Great Hall of the People.

"We have been carrying out reforms in our political and economic systems in an active and steady way," Li said. "All reform measures that have been proved effective over the past ten years will continue and be perfected step by step."

He said that every country should lay down its policies in line with its own conditions.

The premier said that through the readjustment and rectification of its economy and deepening reforms in the past two years, China has been overcoming economic difficulties one by one and its economy is going in a favorable direction.

"China has paid great attention to absorbing advanced technology and experience from foreign countries," he said. "But, as a developing country with 1.1 billion people, China has to rely mainly on its own strength in its construction."

China, he said, is sticking to its foreign policy of independence and peace, and is willing to develop its relations with all other countries on the basis of the five principles of peaceful coexistence. "It is precisely in this spirit that we have made great progress in our relations with Mozambique and other African countries," the premier said.

Li pointed out that China is glad to see the positive changes in the situation in southern Africa. China, he added, appreciates the efforts of the Mozambique Government in promoting the process of realizing peace in southern Africa. "We also appreciate its efforts in seeking a road of national development in accordance with its actual conditions," he added.

Li stressed that China takes an active attitude toward the development of relations between the two countries.

Foreign Minister Mocumbi conveyed greetings from Mozambique's President Chissano to Premier Li and handed him a letter from President Chissano to Chinese President Yang Shangkun.

Mocumbi also briefed the Chinese premier about the situation in his country and the situation in southern Africa as a whole.

Culture Minister Leads Delegation to Chad

OW2408023490 Beijing XINHUA in English
0147 GMT 24 Aug 90

[Text] Yaounde, August 23 (XINHUA)—A Chinese cultural delegation led by Culture Minister He Jingzhi arrived in Chad for a visit yesterday.

It will sign a cultural agreement between China and Chad later.

According to "Chad Radio" reports reaching here this evening, he had a working meeting with his Chadian counterpart Djibrine Hissein Greinky after his arrival.

A cultural evening was organised by the host this evening in honor of the delegation.

NPC Vice Chairman Meets Gambian Visitors

OW2408075890 Beijing XINHUA in English
0707 GMT 24 Aug 90

[Text] Beijing, August 24 (XINHUA)—Zhou Gucheng, vice-chairman of the Standing Committee of the National People's Congress of China met here today with Louise A. Njie, minister of health of Gambia, and her party.

The guests arrived here August 13 on a visit to China at the invitation of the Chinese Ministry of Public Health.

Former Tanzanian President Nyerere To Visit

OW2308121090 Beijing XINHUA in English
0729 GMT 23 Aug 90

[Text] Beijing, August 23 (XINHUA)—Julius K. Nyerere, chairman of the South Commission, will pay a working visit to China from August 26 to 29 at the invitation of the Chinese government.

Nyerere is former president of Tanzania and former chairman of the Revolutionary Party.

West Europe

Shanghai Mayor Meets FRG Transport Minister

OW2308143590 Shanghai JIEFANG RIBAO in Chinese
20 Aug 90 p 1

[Text] Mayor Zhu Rongji yesterday evening met and feted Niedal, vice transport minister of the FRG, and his delegation at the Xinjinjiang Hotel. In a warm and friendly atmosphere, Mayor Zhu briefed his guests on Shanghai's reform and opening to the outside world, its economic development, and its plan to develop Pudong. Li Chuwen, foreign affairs adviser to the municipal government, and others were present at the meeting.

After arriving in Shanghai yesterday, Niedal and members of his delegation toured the Huangpu Jiang by boat,

surveying the Nanpu Bridge which is currently under construction. They will tour Waigaoqiao in Pudong and other places today.

Government Accuses Vatican of Subverting Church
HK2408021590 Hong Kong HONGKONG STANDARD in English 24 Aug 90 pp 1, 10

[By Lo Dic]

[Text] China has accused the Vatican of intensifying its "subversion and infiltration" by directing the "underground Catholic Church" to organise as a political force.

An official secret document said that in Baoding and Zhengding district of Hebei Province, the Roman Catholic Church "controls" about 300,000 Catholics, and has become the command centre for the country.

It claims the church is now instigating large-scale activities to over-turn the state-sanctioned Patriotic Catholic Church.

The document, a speech made by a senior official in Zhengding district in late March, said the "illegal activities" have already spread throughout the north of the country.

The document was leaked to the overseas catholic community and THE HONGKONG STANDARD has obtained a copy.

It said the "black bishops" (Roman Catholics) have held secret conferences on over-throwing the official church and in Zhengding district leading clergy have already fallen under their control.

It said more than half of the country's catholics sided with the underground church.

The document identified Bishop Julius Jia Zhiguo, who has ordained five "black priests" and was close to the first two priests in the district, as the chief figure in the conspiracy.

Roman Catholic sources in Hong Kong said Bishop Jia was arrested in April 1989 and released in September and is now under house arrest.

Bishop Jia was among the first Chinese bishops secretly ordained in the early 1980s after three decades of official repression against the Roman Catholic Church.

The document gave several reasons for the rapid expansion of the underground church in recent years.

"First, the personnel of the patriotic church and progressive clergy are seriously lacking.

"The believers are feeling lost and, although they do not want to follow the underground church, they cannot avoid giving in for fear of being isolated.

"Second, the black priests are provoking conflicts between backward believers and the patriotic believers, creating division between them.

"Third, there are some defects in implementing the government's religious policy, with the result that some of the believers are dissatisfied and thus giving the underground forces an opportunity to take advantage of.

"Fourth, local government officials are not wary enough of the underground church.

"Fifth, the present legal system is not strong enough to crack down on the underground forces."

The document urged provincial public security departments to concentrate their attention on leading "black priests," as well as visiting overseas priests who attempted to infiltrate the Patriotic Catholic Church.

It said the official Catholic Church should work in accordance with the Constitution which stipulated that "religious organisations and religious affairs should not allow the intervention of foreign forces."

It said that the Vatican should not intervene in China's internal affairs including church affairs.

Meanwhile, Roman Catholic commentators in Hong Kong said it was unlikely that the Vatican or any overseas catholic groups have intentionally tried to subvert or infiltrate the Chinese church.

To avoid worsening relations with Beijing the Vatican has pursued a policy of refraining from any action that might be considered as intervening in China's internal affairs, they said.

The Vatican has also urged the Roman Catholic Church to prevent any conflicts with the state-sanctioned church, they said.

East Europe

Article Views East German Government Crisis

HK2408025590 Beijing RENMIN RIBAO in Chinese 23 Aug 90 p 6

["Roundup" by staff reporter Xu Hongzhi (6079 1347 3112): "GDR Government Is in Another Crisis"]

[Text] On the evening of 19 August, the Socialist Democratic Party of the GDR announced its decision to withdraw from the coalition government. Thus, the cabinet headed by De Maiziere, which was set up merely four months ago, fell into another crisis.

The Socialist Democratic Party is the second largest party next to the Christian Democratic Alliance. After the Liberal Democratic Party withdrew from the coalition government, now the Socialist Democratic Party also officially broke with the government. Thus, part of

public opinion doubted whether the treaty on Germany's reunification would be passed by the People's Assembly by a two-thirds majority.

The direct reason for the withdrawal of the Socialist Democratic Party from the coalition government was that De Maiziere decided to dismiss four ministers a few days ago. Those to be dismissed from office included Finance Minister Romberg of the Socialist Democratic Party, who was fiercely criticized by De Maiziere.

When the De Maiziere cabinet was just set up, some people anticipated that problems would appear sooner or later in the cabinet, because the parties in the cabinet were seemingly in harmony but actually in variance and several ministers had no professional knowledge about the affairs handled by their departments. Now, the economy in the GDR is on the brink of collapse, so the ministers in charge of several economic departments have to bear the blame. On the same day before De Maiziere announced the dismissal of several ministers, peasants in East Germany staged a nationwide demonstration. One of the demands raised by the demonstrators was to dismiss the agriculture minister who is also a member of the Socialist Democratic Party.

However, public opinion held that it was not fair to lay the blame on the ministers. The fundamental reason for the trouble was not the incompetence of the ministers but because the process of reunification was too quick. The currency alliance was set up too hastily. With West Germany's deutsche marks being introduced to East Germany, East Germany had to completely accept West Germany's socioeconomic system and practice the market economy. In order to seek profits, the monopoly organizations in West Germany, being impatient to wait, immediately dumped goods on the markets of East Germany, but they were not willing to make substantial investment in East Germany for the time-being. The existing industrial and agricultural enterprises in East Germany were comparatively weak in market competition, and they failed to cope with the fierce competition from the West German consortiums on the market. As a result, such consequences as bankruptcy and unemployment became unavoidable. This year, crop harvests in East Germany were good, but because the farm product market was occupied by the products from West Germany, the sale of East Germany farm products became unprecedentedly difficult and agriculture in East Germany fell into a crisis. In addition, the sharp increase of the food price also directly affected the people's livelihood and caused strong resentment among the masses. All such problems intensified the social tension. This found expression in the nationwide peasant demonstration on 15 August.

People noted that after De Maiziere announced the dismissal of four ministers, he did not appoint new ministers but just let four state secretaries perform the duties as acting ministers. This indicated that he just

planned to maintain the government to the date of "combination" and let the Bonn Government clear up the mess.

According to the decision of the East German People's Assembly, the date of "being merged" to West Germany is 14 October. The days of the East German Government are numbered. Then, why did De Maiziere dismiss four ministers and why did the Socialist Democratic Party withdraw from the government? The justifications used by both sides for the dismissal decision and the withdrawal decision was to "safeguard the interests of the East German people." The Socialist Democratic Party also stated that only when a series of prerequisites are satisfied would it agree with the reunification treaty between the two Germanies, and these prerequisites included: the federal government will allocate funds to make up for the financial deficits incurred by all states of East Germany; some decisions made by the East German People's Assembly will continue to be valid; the results of the land reform will be maintained on the basis of the relevant long-term regulations; and the East German people will thus achieve "equal opportunities." However, as people know, when the two Germanies set up their currency alliance, the treaty they concluded stipulated that East Germany would accept the major laws and socioeconomic system of West Germany. When De Maiziere, chairman of the Christian Democratic Party, dismissed several ministers, he just tried to make a posture to show that he still "complied with public wishes." Observers here pointed out that the state elections on 14 October and the general national elections on 2 December are drawing near, so all parties are trying to attract more votes. This was their real intention.

Vice Foreign Minister Visits Albania

OW2308061790 Beijing XINHUA in English
0554 GMT 23 Aug 90

[Text] Tirana, August 22 (XINHUA)—Chinese Vice Foreign Minister Tian Zengpei arrived here today for an official visit to Albania, the first since the late 1970s.

Tian held talks with his Albanian counterpart, Sokrat Plaka, and Albanian Foreign Minister Reiz Malile on the Sino-Albanian relations and other international issues of mutual interest.

Considerable progress has been made in Sino-Albanian ties over the past few years and the two countries share a traditional friendship, Malile said, adding that mutual understanding will help develop their relations.

Malile briefed Tian on Albania's positions on international questions.

Tian expressed satisfaction over the development of Sino-Albanian relations in recent years, and said he hoped the bilateral ties will continue to progress in accordance with the five principles of peaceful co-existence.

Albanian Deputy Foreign Minister Muhamet Kapllani visited China last year.

Meets With Premier

OW2408115290 Beijing XINHUA in English
1143 GMT 24 Aug 90

[Text] Tirana, August 24 (XINHUA)—Albanian Premier Adil Carcani told visiting Chinese Vice Foreign Minister Tian Zengpei yesterday that no difficulties and obstacles existed in the way of improving Albanian-Chinese relations in all political, economic and cultural fields.

Carcani briefed Tian, who was making the first-ever visit of its kind since the 1970s, on his country's new foreign policy of developing external relations on the basis of sovereignty, independence and equality.

Tian said the Chinese Government was willing to upgrade continuously cooperation with Albania based on the five principles of peaceful coexistence.

During his visit, Tian also met with Albanian Foreign Minister Reiz Malile and Chairman of the Committee for Foreign Economic Cooperation Farudin Hozha.

Tian also held talks with his Albanian counterpart, Sokrat Plaka, on the development of the bilateral relations and other international issues of mutual interest.

Tian, who arrived here on Wednesday, ended his two-day official visit today.

Vice Foreign Minister Visits Albania 22 Aug

WA2308151690

For Albanian media reportage on the visit by Vice Foreign Minister Tian Zengpei to Albania on 22 August,

including reports on his talks with Albanian Foreign Affairs Minister Reis Malile on bilateral relations, please see the Albania section of the 23 August East Europe DAILY REPORT and subsequent issues.

Latin America & Caribbean

China, Ecuador To Promote Agronomical Research

OW2408012690 Beijing XINHUA in English
0114 GMT 24 Aug 90

[Text] Quito, August 23 (XINHUA)—China and Ecuador signed a contract today to promote agronomical research in Ecuador.

Under the contract, China will help set up a 40-hectare experimental farm in Ecuador for scientific research.

Today's signing ceremony was attended by Undersecretary of Mountains and the Amazon of the Agriculture and Livestock Ministry Francisco Gonzalez and Chinese Ambassador Wang Ganghua.

China will also help Ecuador develop fruit tree cultures, process and market fruit and drill wells.

Venezuelan Congressmen To Pay Goodwill Visit

OW2308121390 Beijing XINHUA in English
0825 GMT 23 Aug 90

[Text] Beijing, August 23 (XINHUA)—A delegation from the National Congress of the Republic of Venezuela will pay a goodwill visit to China from August 27.

Led by A.E. Oberpo, president of the Venezuelan Chamber of Deputies, the delegation will visit China at the invitation of the Standing Committee of the National People's Congress of China.

Political & Social

Model City of Spiritual Civilization Development

HK2308123590 Beijing RENMIN RIBAO in Chinese
9 Aug 90 pp 1, 3

[Article by the Investigation and Research Office of the General Office of the CPC Central Committee: "Developing Spiritual and Material Civilization Simultaneously Is Commendable and Persistence Is Valuable—Investigation on the Experience of Sanming City, Fujian Province, in Developing Spiritual Civilization"]

[Text] Sanming City, situated in the immense forest of northwestern Fujian, is known all over the country for its remarkable achievements in building spiritual civilization. In early summer this year, we inspected this city for nearly 20 days. This visit has left us with a beautiful and deep impression.

The city is seated in a fine and comfortable environment: Bright-colored blocks are set off by green trees and other plants; mansions with gardens, garden-like apartments, flower terraces, lawns and statues that are seen everywhere in the city are merged with Qilinshan Park, Children's Park, Cultural Park, and Jiangbin Park that stretch several li along the riverside; dotted among them are some exquisite, unsophisticated pavilions and pagodas; the whole city is composed of harmonious and fascinating scenes. Sanming residents are bringing the forest to the city and gardens to the streets. Many visitors to Sanming praise it as a "garden city."

This city, with a high degree of social stability and well-maintained public order, is permeated with a warm atmosphere of friendship. Wherever you are, at the train station, in hotels, shops, or organizations, you tend to find smiling faces in abundance and perceive genuine human emotions in profusion. Whenever a train draws into Sanming station, the platform staff would, kettles in hand, run to the train windows and offer free boiled water to the passengers. They do this every day, every year. Strolling in the city proper, you will see banners everywhere which read "Find your satisfaction in this market," "Find your satisfaction in this hospital," and so on. This is not advertising to solicit customers but the code of behavior of the people of Sanming. According to a recent survey, 97.5 percent of the respondents expressed satisfaction or moderate satisfaction with what Sanming's services.

Attention to education and science has become the order of the day in Sanming. "Wherever the best house is, it is a school; wherever the most beautiful environment is found, it is a school." This goal has largely become reality in many villages. Over the past 10 years, the city has raised 380 million yuan through a variety of channels, which has brought about marked improvements in school conditions. The province leads in the development of a full range of educational undertakings. A preliminary network of scientific and technological development has been set up. Since 1981, 207 results of

scientific research have won state, provincial, or city awards for scientific and technological advancement and achievement. Some projects for the development of new products and the popularization of new technology have met advanced domestic and international standards.

The constant advancement of reform, opening up to the outside, and development of socialist spiritual civilization has brought Sanming's economy into a period in which it has gained the strongest momentum for development and enjoyed the fastest increase in its strength since the founding of New China. The gross product, residents' income, aggregate industrial and agricultural output value, and revenue of this city in 1989 more than tripled the counterpart figures of 1978. Per-capita housing space in the city proper has risen from 2.8 square meters of 10 years ago to 8.63 square meters.

When he was inspecting the city early this year, Comrade Li Ruihuan attributed such extraordinary achievements in Sanming's development in spiritual civilization to "simultaneity in building both a material and spiritual civilization and persistence in doing so." This requires the simultaneous development of the "hardware" of material civilization and the "software" of spiritual civilization by the party, government, army, and people. The "persistence" refers to the ability to weather storms, overcome obstacles and consistently follow the policy of paying attention to development of both civilizations, carrying out both tasks, shouldering both loads at the same time, and striving to realize achievements in both respects. This is a key point in Sanming's experience, which can be broken down into the following six concrete aspects: 1. Constantly Strengthening Self-Consciousness and Paying Consistent Attention to Both Material and Spiritual Civilizations

The past 10-year practice of Sanming City has brought to the fore what the city party committee has done because the latter has unremittingly held on to, and constantly advanced the guideline of "paying attention to developing both civilizations at the same time."

This guideline was gradually established after the 3d Plenary Session of the 11th CPC Central Committee. At that time, the party committee of Sanming City faced shortages in supplies and housing, congested traffic, poor law and order, a brain drain, and instability. This reality alerted the committee to the need to first seek solutions, much desired by the masses, to problems concerning the environment, law and order, and other problems, in order to calm the public's minds and increase the cohesive force and attractiveness of Sanming. For this reason, after the provincial people's congress examined, discussed, and approved their plan, the committee started to "carry out both tasks at the same time and strive to accomplish achievements in both respects" in 1981. Three years of practical efforts brought drastic changes to Sanming which, in a single leap, became a cultured city known across the country. This was an initial sign of the power of "paying attention to developing both civilizations at the same time."

After Sanming had made some achievements in developing a spiritual civilization, it received, in addition to compliments, criticism and even censure. For instance, some comrades believed that attention to spiritual civilization would overshadow attention on economic development and add to the burden on enterprises. Other comrades blamed the campaign to develop spiritual civilization as "formalism" and "a waste of money and manpower." The Sanming City Party Committee has withstood all kinds of reproach, stuck to its principles, and consistently maintained a relatively good microclimate. Even in those days last year when turmoil and rebellion occurred in some areas in China, Learn-From-Lei-Feng activities were still seen in the streets of Sanming and the grand prix of "Find Satisfaction In Sanming" and education on "dual morality" (ie. social morality and professional etiquette) was still televised every day.

2. Establishing a Spiritual Pillar and Enhancing Overall Quality

Over the years, the city party committee has been educating people in upholding the four cardinal principles and opposing bourgeois liberalization in order to strengthen their faith in socialism. Meanwhile, they took Sanming's reality into consideration and put forth the idea of the "Sanming spirit," i.e., "unity, struggle, practicality, and creativity." This "Sanming spirit" reflects, from one angle, the basic line of "one center and two basic points," and is the materialization in Sanming of the common aspiration of building socialism with Chinese characteristics. This is why the call to promote the "Sanming spirit" has won the support and acknowledgement of people throughout the city and has a strong cohesive force and attraction. They have cultivated their own styles of work in their respective positions such as in factories, schools, shops, hospitals, stations, and neighborhood committees, that manifest the common Sanming spirit as well as their own characteristics. In the course of establishing a spiritual pillar, the city party committee consistently educated the masses by means of model workers. Over the years, more than 200 model workers have been invited to give over 450 lectures, attended by more than a million people.

Spiritual pillar has to be built on the solid ground of good social morality and professional etiquette. The city party committee formulated a complete set of plans for carrying forward fine traditions and promoting socialist social morality and professional etiquette, and organized a series of activities. The most prominent example is that the committee raised, in early 1987, a slogan that was most inspiring and was to enjoy widest application: "Get your satisfaction in Sanming," calling on Sanming people to work for a satisfying image of a highly civilized city in day-to-day services, public order, general mood of the society, and work efficiency, by carrying out a series of activities centering around this slogan. At the end of last year, on the basis of consolidating the achievements of those activities, the city party committee institutionalized, systematized, standardized, and regularized the education on social morality and professional etiquette.

They opened 33 "highly-civilized citizens sparetime schools" in the city and provided citizens with systematic education on social morality so as to reinforce their consciousness of civilization.

The establishment of a spiritual pillar and education in social morality and professional etiquette have remarkably improved the ideological and moral quality of the people of Sanming. This alone, however, is not sufficient. It is also necessary to strive to develop the scientific and cultural quality of the general public. The Sanming City party committee thus decided to adopt the strategic policy of "achieving success through intellectual development." Since 1984, they could manage with fewer or no administrative meetings at all, but work meetings on education, science, and technology have been held each year and careful arrangements and thorough examinations have been done for work in this respect. From 1980 through 1989, fixed capital investment in education, science and technology, and culture in the city took up 25.96 percent of the total fixed capital investment of all units owned by all the people in this city during the same period. Acreage in terms of newly constructed school campuses during this 10-year period was more than triple the aggregate acreage developed in the 30 years after the founding of the People's Republic. The development of education, science and technology, and culture has provided stamina for Sanming's economic development. Of the increased amount of total industrial and agricultural output value in recent years, 60 percent and 40 percent, respectively, are a result of scientific and technological advancements.

3. Do a Good Job in Developing Both Material and Spiritual Civilizations With Intra-District Cooperation and Give Play to Group Advantages

Another unique, successful experience that Sanming City has to offer is giving full play to the initiative of the masses and following the new path of having the "party, government, army, the general public, and students join hands in building a highly-civilized city." When the campaign to develop civilization in units was at the initial stage of spiritual civilization development, work units and residential units were largely left to find their own way. This practice was marred by the fact that it was hard to coordinate and control the development of spiritual civilization in factories, mines, schools, government organs, shops, and other units that belong to different departments within a district. To tackle this problem, the city party committee, summed up in a timely manner, the experience of Fuxingbao Neighborhood in cooperatively developing spiritual civilization, advancing the idea of "intra-district cooperation," and carrying out a campaign of intra-district cooperation in an all-around way in the city proper, centering around "six aspects of cooperation and development."

The "six aspects of cooperation and development" refer to concerted efforts in conducting ideological work, maintaining public order, promoting public welfare, developing education in science and technology and culture, and developing a good environment and

economy. The city proper was divided into 23 districts, according to geographical location and economic environment, for cooperative development of a spiritual civilization. Each district, in view of its set-up of units, gave prominence to a particular aspect of cooperation, whether between the army and the general public, between the police and the general public, between factories and neighborhood committees, or between the cadres and the masses. Each district had set up a coordination committee (or council) formed by chief leading cadres of all units in the district. Through such cooperation, the relationships between the party and the masses, the cadres and the masses, between neighboring units, and between different categories of residents have improved remarkably. Unity, friendship, and mutual assistance have become the order of the day; collectivism, consciousness of group interests, and initiative in mass autonomy and democratic management have been greatly upgraded. The new habit in which "every one takes care of things in the district and every one pitches in to promote the public welfare of the collective" has come into being. **4. Meet the Needs of the Day and Further Promote Reform and Opening Up to the Outside World**

For reform and opening up to proceed smoothly, people have to acquire a consciousness about reform and opening up. The Sanming City Party Committee put reinforcement of such consciousness in an important position on the agenda of the development of a spiritual civilization. This has boosted the enthusiasm of the people of Sanming for reform and opening up to the outside world to the greatest extent. Before reform and opening up to the outside started, businessmen from other localities were regarded as a burden to society and became the target of restrictions, purges, and even expulsions. After reform and opening up started, they looked upon non-local businessmen as "allied forces" in developing Sanming and gave them all kinds of conveniences and special care. The public security department of the city installed the "system of temporary residence control," the first of its kind in the province. They voluntarily took care of finding temporary residences for the businessmen from 19 provinces and municipalities, helped them set up trade organizations, and established exclusive kindergartens, primary schools, canteens, and clinics for them. Today, the number of people from other localities engaged in various activities in Sanming make up one-fifth of the permanent population of the city proper. Non-local businessmen dub Sanming their "second hometown." Sanming people also use their fine environment and excellent services to develop exchanges with other places. The city government has sent several economic delegations to Hong Kong, Macao, Southeast Asia, and West Europe. They actively promoted a foreign-oriented economy and trade, held international trade talks, invited Hong Kong compatriots to tour Sanming, and developed enterprises capitalized by the three sources.

When doors and windows were open, as a result of reform and opening up to the outside world, fresh air

came in and, at the same time, flies and mosquitoes. The development of a spiritual civilization has to contend with the challenge of various ideologies. In good time, the Sanming City Party Committee put forth the idea that "spiritual civilization goes together with reform and opening up to the outside; reform and opening up are in the same direction as spiritual civilization." In the interaction of these two elements, the development of spiritual civilization will be the guide and standard. For instance, in order to prevent some people from engaging in "bartering power and money" by taking advantage of reform and opening up, the city party committee, in its work on party and government organs, took firm control of problems that were of greatest concern to the masses and the most corrupt links, and worked out and enforced in an all-around way the system of "making the process and outcome of handling affairs known to and supervised by the public." The results of the preliminary processing of exit-entry applications, residence applications, and recruitment of workers were all made public. Should any doubts arise within a week's time, the outcomes would be immediately reexamined. Such all-around opening and the resolute struggle against corruption have guaranteed the cleanliness and purity of cadre ranks and effectively preserved the socialist nature of reform and opening up to the outside. **5. Practice Quantified Management and Take Vigorous Measures To Implement the Plan**

The Sanming City Party Committee prepared a comprehensive plan for the development of a spiritual civilization in each period. They have a long-term plan that extends to the end of the century, a 10-year plan for the period from 1980 to 1990, and 6th, 7th, and 8th five-year plans to match the pace of economic construction. They also have an annual plan for each year. The city proper, districts (or counties), neighborhoods (or townships and towns), residential organizations, village organizations, and even individuals have their own plans which constitute a network that covers the length and breadth of Sanming. In order to obtain solid and concrete results from the plan in the development of a spiritual civilization, the city party committee defined a subject for each phase and has a clear objective in mind.

To practice quantified management in an all-around way the city party committee set a number of quantified targets for the developing a spiritual civilization and broke the task down into more specific tasks. These targets, defined in responsibility contracts, then became what leading groups and leaders had to fulfill each year or during their terms of office under the responsibility system. In enterprises and institutions at the grass-roots level, not only production tasks, but also those relating to the development of a spiritual civilization and civilized units were contracted.

To develop strong organizations, in early 1984, the party committee established a City Committee for the Development of Spiritual Civilization (similar organizations were also set up in counties and districts). This committee, acting as a working department of the city party

committee, exercised power as the administrative body of the leading group in the city committee responsible for the developing a spiritual civilization and was also a functional department of the city government responsible for planning, guiding, examining, integrating, coordinating, and administering the development of spiritual civilization in the city, so that the various tasks centering around the development of spiritual civilization could be carried out well. 6. Cadres Were Willing To Be Public Servants and Party Conduct Affects the General Mood of Society

The Sanming City Party Committee took the development of spiritual civilization on themselves, and particularly viewed party conduct as an important part and fundamental guarantee of the overall development of spiritual civilization. It worked on ideological education on one hand and institutional development on the other. Within the short period from 1983 till the present, they have given 670,000 party members training in Marxist theories, which has enhanced the latter's political quality. They improved supervision from within and without the party, installed an objective-oriented management system for party members, thus introducing the responsibility system into party conduct as an innovative move, and kept records on the conduct of party-member cadres at or above the county level. In 1987, 4,840 people were party conduct supervisors. The Sanming City Party Committee has been resolute in punishing corruption and has started to handle related cases at a relatively early stage. When the idea that "corruption is inevitable" was rampant, they got over all kinds of interference and resistance and resolutely dealt with a number of cases involving violation of discipline and law, such as the embezzlement and bribery case of a former Taining County magistrate. They also started discussions on "opposing corruption and encouraging honesty" among all party members of the city, sounding the alarm for them in good time.

In Sanming City, leading cadres are dedicated to serving the people, hold themselves responsible, and are strongly devoted to their duties. In order to relieve the difficulty that residents have with transportation, leading cadres of the city squeezed themselves into crowded buses to find out about the law governing passenger transportation. The first thing that the new city party secretary did was map out a project for constructing toilets. In the past 10 years, the face of the city has changed, the people's lives have improved, and leading teams replaced, but the tradition of "going down to factories, the countryside, and the grass-roots level" and "removing the masses' difficulties, doubts, and worries" has not changed. Neither has the work style of maintaining close links with the masses and making solid achievements in a down-to-earth way. Because party members have borne in mind the ultimate goal of serving the people and consistently maintained the progressiveness of the ranks of party members, they enjoy high prestige among the masses, which has energetically propelled the development of a spiritual civilization and helped build a "civilized, open, and clean and honest" city.

With all these remarkable achievements in developing spiritual civilization in Sanming City, weak links and problems do exist in their work. They are determined to work conscientiously on these problems and strive to reach an even higher level in the 1990's.

Li Peng Exhorts Efforts To Correct Malpractices

OW2308171390 Beijing XINHUA in English
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[Text] Beijing, August 23 (XINHUA)—Chinese Premier Li Peng has called on governments at all levels to concentrate on correcting malpractices in the second half of this year.

At a national tele-conference here this evening the premier defined malpractice as referring to the abuse by state organs and public undertakings of their powers in the interest of small groups or individuals.

He said malpractices, which are found in fields ranging from transportation, electricity and water supply, and residence registration to school entrance, are abhorred by the people and have aroused extensive complaints from them.

Meanwhile, he said, such malpractices have affected the relations between the people and the party and the government, and damaged the reputations of related government departments and economic sectors.

What the people hate most are such phenomena as handling matters unfairly, going through the "back door", bureaucracy, and rude and unreasonable attitudes on the part of officials.

Speaking of the cause of these malpractices, Li said that in recent years there has been a slackening of effort in political and ideological work and there emerged a tendency to put money above everything.

It is necessary to do a good job in eliminating these malpractices with a view to political stability, economic development and moral improvement, the premier said.

The premier demanded that officials of governments at all levels take the lead in correcting malpractices, enhance their efforts in ideological education, tighten the rules and stop up all loopholes.

To this effect, he urged governments at all levels to formulate concrete plans and measures to correct malpractices according to local conditions and achieve practical results.

He said he welcomed supervision over departments of the central government by local governments, saying that this would also be cooperation and support to the State Council.

Li Peng also called for more effective supervision from supervisory, auditing and other administrative departments, as well as from society as a whole. At the same

time, he said, government officials should earnestly listen to opinions and complaints from the public.

During the conference, officials from the Public Security Ministry, Railway Ministry and State Taxation Administration gave reports on their efforts and measures to be taken in combating malpractices in their spheres of jurisdiction.

Deng's Assessment of Zhao; Zhao's Current Life

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[Article by Lo Ping (5012 0393): "Deng Xiaoping on Zhao Ziyang's 70 Percent Merit and 30 Percent Demerit"—first paragraph is KAIFANG's introduction]

[Text] Deng Xiaoping feels that he has no generals to command; the common people and intellectuals hope that Zhao Ziyang will be reinstated into office, but Jiang Zemin and the clique of old men do not want to see the history of Deng Xiaoping's reinstatement being replayed.

Zhao Ziyang is still the most popular topic of conversation among people in Beijing.

There are many rumors about Zhao Ziyang, some are true and some are not. But these reflect the wishes of the people in Beijing, as well as the intense power struggle at the senior level of the CPC.

Allegations About Zhao Are Similar to Those About Deng in Years Gone By

In order to verify allegations concerning Zhao Ziyang, the head of KAIFANG asked me to painstakingly look into the matter, carry out an investigation, and answer questions from readers. Almost all those I contacted think that Li Peng's remarks on Zhao Ziyang made to reporters before his trip to Indonesia, were not reliable and that the situation could be the opposite of what he said. Li Peng and Yuan Mu have one common point: Both are stubborn and reluctant to admit mistakes or defeats. For political reasons, they close their eyes and ignore the facts. Their words must be understood from the opposite angle, and the more they deny, the more creditability there is.

Some people say: The current allegations concerning Zhao Ziyang in Beijing are very similar to the past ones about Deng Xiaoping's stepping down during the "counter-attack on the right deviationist attempt to reverse correct verdicts," and are reflections of a power struggle within the CPC. In the past, there were allegations that there was a "Premier Zhou's testament" and a so-called "Liu Baicheng on Deng Xiaoping." But the Gang of Four called these sheer rumors with secret intentions; they denied the rumors repeatedly, and tried to track down and arrest those who created them. However, people continued to circulate them. Thereafter,

facts proved that the allegations had been very reliable, while most of the things transmitted by the Gang of Four were false.

Zhao Ziyang Studies the Economy at Home and Sums Up Experiences

I met a friend who had visited Zhao's family, and he is a relative of theirs. He confirmed Zhao Ziyang's condition which has been denied by the authorities:

Deng Xiaoping in fact invited Zhao Ziyang to a meal. Deng personally said to Zhao that he has 70 percent merit and 30 percent demerit, that he has achievements and mistakes are unavoidable, that as long as one works, one will make mistakes and have shortcomings, which should not scare him, and that he must look further ahead.

Deng Xiaoping has not mentioned a single word about the problem of Zhao's "separating the party" and "supporting the turmoil."

Deng Xiaoping thinks that if those who only know the sayings of Marxism-Leninism are given a free hand, they will achieve nothing and are unreliable.

The informant continued: Zhao Ziyang has not gone to other localities for an inspection tour; he stayed at home to study reform and opening up to the outside, and to learn some beneficial things.

Zhao Ziyang is being handled now in a more relaxed way. He can read important documents and go outside to play golf (before he was only allowed to exercise in his courtyard). When asked whether the past measure was house arrest, the informant said that it certainly was.

Obviously, Deng Xiaoping's "70 percent versus 30 percent" evaluation of Zhao was even higher than the evaluation he gave himself. On a number of occasions, Deng said that if he himself is given a "50 percent versus 50 percent" evaluation after he passes away, then it would be very nice.

It Is Believed That Deng Hopes Zhao Can Return to Office

Another person, also a relative of Zhao, has paid a visit to Zhao's family. He brought some soft-shelled turtles from south China to them.

He said to others: "I have seen Zhao. He is very healthy and in good spirits; he really relaxes himself without official duties."

"What did Zhao tell you?" The acquaintance asked.

"Other than mentioning his health, not much else. He never admitted any mistakes, but said explicitly that it was Li Peng who made mistakes."

I tried to verify this by asking a ranking cadre in Beijing: "What is your opinion of information carried in overseas

newspapers saying that Deng Xiaoping wanted Zhao Ziyang to be reinstated next year?"

He said: "Deng Xiaoping has a clear idea of Zhao Ziyang's achievements in reform and opening up to the outside over the years, as well as in running Sichuan. He also has a clear idea of what has been done by Li Peng after taking over the government. I believe that Deng Xiaoping indeed hopes that Zhao will be reinstated. I think that perhaps not long from now, Deng Xiaoping will ask Zhao Ziyang to wrap things up because by then they will not be able to do without him."

Deng Has Deep Feelings Toward Hu and Zhao

"It seems that Deng Xiaoping has deep feelings toward Zhao Ziyang," I said.

"Deng Xiaoping has deep feelings toward Hu Yaobang and Zhao Ziyang. He once said, 'If I am called the chief architect of reform and opening up to the outside, then Zhao Ziyang is also the chief architect.' After Hu Yaobang stepped down, Deng was in a bad mood and was sick for a while. After Zhao Ziyang stepped down, Deng was also in a bad mood. In the past, the old men succeeded in setting Deng against Hu and Zhao and it was truly regrettable."

I asked another China expert who has done thorough research on China's reform and opening up, "What then is the biggest obstacle to the reinstatement of Zhao?"

One of the Big Obstacles Is Jiang Zemin

"It is certainly Li Peng, Yang Shangkun, and the clique of old men. But there is also another big obstacle; that is, Jiang Zemin. If Zhao Ziyang resumes his post, where will Jiang go? Recently, before Li Peng left for Indonesia and Zhu Rongji for the United States, Zhao Ziyang's situation was discussed. The meetings of "leftists" such as He Jingzhi and articles criticizing Zhao carried in the newspapers such as GUANGMING RIBAO, were the outcome of suggestions made by Li Peng, and approved by Jiang Zemin. The story is an interesting one, which says it must be done this way for the sake of stability and unity. It is a lie, but still they have to tell it."

"As the story goes, does it mean that both the hard-liners (the conservatives) and the moderates are unwilling to see Zhao Ziyang return to office?"

"I think so. It resembles the past situation in which the 'Gang of Four' and Hua Guafeng did not want to see Deng Xiaoping return to office, but the common people, who had suffered enough, wanted Deng Xiaoping to come out and wrap things up."

"Is it also the common people who now want to see Zhao Ziyang come back?"

"Of course! And the intellectuals also hope he will return!"

Zhao's daughter is Zhao Liang, manager of the Beijing International Hotel. Her husband is Wang Zihua, bureau chief of the sixth bureau of the equipment department of the General Staff Headquarters. After 4 June last year, whenever his acquaintances saw him, they pretended not to, or tried to stay away from him. Now, the situation is just the opposite. Wherever he goes, there are people greeting him with smiles. There are companies and units that want to establish ties with him, and even send him gifts and do him favors. Someone in the Baoli Technology Company, which is run by Deng Xiaoping's son-in-law He Ping, made fun of him and said: "Come to our company, we welcome you."

Li Peng Urges Building Clean Government

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[By reporter Sun Benyao]

[Text] Beijing, 23 Aug (XINHA)—The State Council this evening held a telephone conference to discuss ways to further implement the Government Work Report, which was approved by the Third Session of the Seventh National People's Congress [NPC], and the plans set by the Ninth Plenary Meeting of the State Council to promote administrative honesty and to correct unhealthy practices of various departments and trades.

Premier Li Peng made an important speech at the telephone conference. He said: Promoting administrative honesty and improving the workstyle of government organs are a very important part of China's efforts to consolidate political power and an important matter having deciding effects on our nation's future. Stability can only be achieved by promoting administrative honesty, and our country can have hopes only if government officials conscientiously perform their duty.

Li Peng said: The "Report on Work of the Government" of this year pointed out four things we need to do to promote administrative honesty. One of the four things is to decisively straighten out and correct the workstyle of various departments and trades, especially to step up our efforts to rectify and punish law and regulation violation acts committed by law enforcement departments and supervision organs. The Ninth Plenary Meeting of the State Council held recently decided that promotion of administrative honesty in various departments and trades should be regarded as an important task in the second half of this year. The purpose of today's conference is to further advance work in this regard.

Li Peng said: Months ago, the party and Government started taking, and continue to take, a series of effective measures to crack down on bribe offering and taking and law violation acts, speculations, profiteering, and other economic crimes; and to deal with the practice of using public funds to entertain and buying gifts for guests, of wantonly using public funds to wine and dine, of spending lavishly, and of using public funds for personal

purposes, thereby initially checking unhealthy social trends and initiating a good beginning for promoting administrative honesty among government organs. We should say that our governments at all levels are governments to serve the people. Generally speaking, the majority of our government workers and staff members and workers of all trades and professions are good, or relatively so. However, we should soberly realize that the various negative and corrupt practices arising a few years ago in government organs and social life are still very serious. Some people, unable to resist the temptation of money and material benefits, have engaged in the practice of abusing power for personal gain. Currently, the one negative and corrupt practice that has stirred up most complaints and controversies from the masses is the unhealthy practices of various departments and trades. The masses have hated bitterly the various problems in social life, such as difficulties in travelling, problems in getting sufficient electric power and water supply, problems in getting one's household registered, and problems in enrolling one's children in school. These problems have affected relations between the party and Government and the masses, and have darkened the images of concerned departments and trades. Although causes for these unhealthy practices are partly historical, and many of them not only exist now; however, that these unhealthy practices have become so common and serious is closely related to the little attention paid to ideological and political work in the past few years, and to the public's perception that money is more important than anything else. Of course, we should fairly point out that it is necessary to set appropriate regulations on some matters in order to maintain social order and enable work to be carried out smoothly. This should not be mixed with unhealthy practices. But, what the masses hate most are those practices of abusing one's powers for personal gains, of unjustly performing one's official duty, of taking advantage of personal connections, of practicing bureaucratism, and of treating others rudely. Some people, once gaining some authority, begin to abuse them. Still, a small number of bad people, once gaining power, begin to ignore the law and established regulations, act arrogantly in localities under their jurisdiction, and bully and oppress the people. These acts are absolutely not permitted in our country, which is a socialist country led by a communist party. Party committees and governments at all levels must regard efforts to rectify the unhealthy practices of various departments and trades as an important work that has something to do with consolidating the party's leadership and preserving social stability and unity. We must concentrate our efforts on solving this problem.

Li Peng pointed out that strengthening the building of a clean and honest government and eliminating unhealthy practices among various trades is a very urgent task. He said ours is a people's government, and all government functionaries are servants of the people. At our work posts, we only have the obligation to serve the people wholeheartedly, but no right to abuse power for personal gains. Ours is a socialist country. Staff members and

workers working in various trades and professions should not only abide by the law and discipline but should also have noble professional ethics, should consciously make contributions to society, and should despise the acts of injuring others for the sake of one's own advantage and inuring the public interest to profit the private interest. Unhealthy practices among various trades run completely counter to the essence of our state system and the desire of the people; they corrupt our cadres, staff members, and workers and tend to estrange the relations between the party and the masses and between cadres and the masses. Under no circumstances should we underestimate the seriousness of their harmful effects. Governments and departments at various levels directly in charge of economic development and social administration, particularly the law-enforcing, supervisory, and economic administrative departments, and public utilities departments which are in constant contact with the masses—every move you make has a direct bearing on the masses. Unhealthy practices in any of your departments will have a great impact among the masses. Therefore, we must make the building of a clean and honest government and of fostering good social conduct an important task and strive to do it well.

Li Peng called on governments and departments at all levels to make concrete plans and arrangements, seriously and not perfunctorily, in the light of their actual conditions, and to adopt effective measures to ensure these plans and arrangements yield results. He said that three links must be grasped in strengthening the building of a clean and honest government and in eliminating unhealthy practices in various trades: First, ideological education remains the foundation. We should strengthen education in professional ethics in order to make all comrades bear in mind at all times the fundamental purpose of serving the people wholeheartedly. We should enable all functionaries to truly understand the necessity and importance of building a clean and honest government, thereby enhancing their consciousness of eliminating unhealthy practices in all trades. Second, rules and regulations remain the guarantee. All departments, trades, and professions should set up a set of scientific but strict rules, regulations, and measures suitable to their specific conditions in accordance with the relevant state laws and statutes. These rules, regulations, and measures must be strictly implemented on a permanent basis. Their implementation should be constantly checked and supervised. Third, leading cadres are the key. Leading cadres at all levels should be strict with themselves and set a good example by supervising and guiding other leading cadres in the order of ranks. There is an old saying in China which says the "wind will clear up when malpractice ends." This means that when people with power eliminate unhealthy practices, social conduct will improve. In building a clean and honest government and eliminating unhealthy practices in various trades and professions, we should start with governments at all levels, particularly from leading cadres.

Li Peng pointed out that in strengthening the building of a clean and honest government and eliminating

unhealthy practices in trades and professions, we must strengthen administrative supervision and check-ups by supervisory and auditing departments and give full play to the role of all circles in society in exercising democratic supervision. All departments and governments at all levels should consciously accept supervision and check-ups by people's congresses at all levels and their standing committees and take the initiative to solicit the opinions of people's political consultative conferences, democratic parties, patriotic figures without party affiliation, and mass organizations. At the same time, they should also listen to opinions and suggestions directly from the masses in various grassroots units. Local governments in various areas should supervise the building of clean and honest government in all departments of the State Council while promoting clean administration in their units. This means coordination and support for the work of the State Council.

Finally, Li Peng said that the guiding thought provided by the party Central Committee and the State Council for launching a struggle against corruption is explicitly clear and that their attitude in connection with this struggle is very firm. The current effort to eliminate unhealthy practices in trades and professions is an important step taken by the party Central Committee and the State Council to promote the building of a clean and honest government and to wipe out corruption. He called on all departments under the State Council, all trades and professions, and departments in all localities to take immediate action, enhance their understanding, adopt effective measures, set an example, rely on the masses, resolutely and firmly continue the current campaign, and strive to achieve real results in building a clean and honest government and eliminating unhealthy practices in various trades and professions.

Speaking at the meeting, Luo Gan, secretary general of the State Council, said all departments under the State Council, especially the law-enforcing and supervisory, economic administrative, and public utilities departments, must adopt forceful measures to ensure real results in eliminating unhealthy practices in all trades and professions.

Luo Gan set a few guidelines for carrying out work in rectifying unhealthy practices of various departments and trades. He said: First, the departments and trades in question should clearly understand the actual situation in their respective departments or trades, concentrate their efforts on critical problems, and work out plans and special measures to deal with the most common problems which have had worst influences, have done the greatest harm to the public, and have stirred up wide complaints from the masses. Second, we should take advantage of our political strength; widely conduct a ideological and educational work; enhance the political consciousness of the vast number of cadres, staff members, and workers; bear in mind the idea of wholeheartedly serving the people; and enhance people's professional ethics and make them more conscious of the need to abide by the law and established regulations. Third,

we should step up efforts to build various systems, and establish better internal mechanisms for maintaining discipline. In addition, we should improve external supervision mechanisms, which include administrative supervision by supervision and auditing departments, and systems of effective supervision by all democratic parties, all sectors of the society, and the broad masses. Fourth, we should commend the advanced in a big way, strictly investigate and handle cases in connection with violation of the law and established regulations, and promote healthy trends and suppress unhealthy practices.

Also speaking at the conference were Gu Linfang, vice minister of Public Security; Li Senmao, minister of railways; and Jin Xin, director of the State Administration of Taxation. Gu Linfang said: The public security front's unhealthy practices are mainly reflected by the practice of using one's official authority to gain personal benefits. To put it more specifically, that is to wantonly impose fines, to collect fees without authority, to impose, without authority, financial burdens on people, to abuse one's privileges, to throw one's weight around, to extort and blackmail people with one's power to issue various kinds of certificates and licenses, and even to ask for bribes and to bend or break the law. Li Senmao said: The worst unhealthy practice in the railway industry is to use one's powers to ask for extra fees for approving plans on the use of rolling stock, and for approving the use of self-provided railway coaches and those not included in original plans. Another bad practice is to extort passengers and to seek personal benefits in selling tickets, selling tickets for extra mileage, and handling other ticketing affairs. Jin Xin said: The unhealthy practices of the taxation departments are mainly reflected by the following: Accepting dinner invitations by tax payers and asking for money and other benefits from them; borrowing money from tax payers; using tax payers' things without permission; buying commodities at low prices from tax payers; trading powers for money; and using one's powers to embezzle the state's tax revenues. These leaders pointed out that, although only a small number of people had engaged in these unhealthy practices, they had created very bad impacts on the masses, and had seriously damaged the reputations and images of entire industries. In their speeches, they, aiming at the characteristics of the unhealthy practices in their respective industries, proposed measures to improve administrative honesty and correct the unhealthy practices in their respective industries.

Also attending the conference were leading comrades of the State Council, including Tian Jiyun, Li Tieying, Wang Bingqian, Zou Jiahua, and Li Guixian.

Participating in the conference were responsible persons of concerned departments of the State Council, and of the People's Governments and relevant departments of various provinces, autonomous regions, municipalities, and cities with provincial-level economic powers.

Participating on invitation were responsible persons of the General Office of the CPC Central Committee, the Propaganda Department of the CPC Central Committee, the General Office of the NPC Standing Committee, the General Office of the National Committee of the Chinese People's Political Consultative Conference, the General Office of the Central Military Commission, the General Political Department of the People's Liberation Army, the All-China Federation of Trade Unions, the Central Committee of the Communist Youth League, and the All-China Women's Federation; as well as Wang Guangying, Hou Jingru, and other responsible persons of the Revolutionary Committee of the Chinese Kuomintang, the China Democratic League, the China Democratic National Construction Association, the China Association for Promoting Democracy, the Chinese Peasants' and Workers' Democratic Party, the China Zhi Gong Dang, the Jiusan Society, the Taiwan Democratic Self-Government League, and the All-China Federation of Industry and Commerce.

RENMIN RIBAO Article Views Subjectivity

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[Article by Xing Benshi (6717 6321 1835): "Thoughts on the Problem of the Nature of the Subject"]

[Text] There were many hot topics in academic circles in the 1980's and the problem of the nature of the subject was described as the "hottest of the hot topics." It makes sense that the problem became a hot topic because it occupies an important position in philosophy, historical science, aesthetics, and literature. Surprisingly, in the discussion on the nature of the subject, first there was the creation of the myth of "loss of subject" and then a move against Marxism by way of opposing mechanical materialism, intuitive reflectionism, fatalism, and so on. In the eyes of people responsible for the move, loss of subject can only be retrieved by dumping Marxism. We cannot help asking: Where does this kind of "subject" theory intend to lead people?

Marxism, but not mechanical materialism, always views the subject-object relationship as dialectic, meaning that the existence and development of subject must be restrained by object and, on the other hand, subject has tremendous dynamic functions. Marxist philosophy gives prominent status to subject in its naturalist view, theory of knowledge, and historical view.

The Marxist naturalist view holds that a considerable part of the natural world, which is to be distinguished from the human world, has been transformed by human practice. The results of human practice cohere with the natural world in the form of materialized labor. This natural world is different from the one before the appearance of human beings which was not stamped with human practice. It is the humanization of the natural world or, in Marxist terms, a "humanized natural world." The concept of a "humanized natural world" is very profound. It tells people that the formation of

human beings is the result of the long-time development of the material world; on the other hand, human beings differ from other ordinary living things. They did not passively enjoy the benefits of the natural world, but obtained things for their material living and survival through transforming the natural world. Therefore the relationship between human beings and nature is that of the transformation of matter. There are no other materialist theories in the history of philosophy, as far as ontology is concerned, which give such prominent emphasis to the functions of subject. Subjective idealism, of course, is an exception, because it views the entire world as a product of the human mind. The extremists of this school hold the view that "to be is to be perceived." Perceived by what? Perceived by ego. This view raises subject to a supreme level but is far from being true.

The cornerstone of Marxist theory of knowledge rests in the category of "practice." Marxist theory of knowledge made the breakthrough of introducing the scientific concept of "practice" into theory of knowledge, which is also the fundamental point distinguishing Marxism from old materialism. Practice is a creative act by the subject to transform the objective world. Marxism holds that the whole of human recognition activity is merely a dialectic process in which recognition develops on the basis of practice. Mao Zedong summed up this process in the statement: "Practice, understand; then practice and understand again and, on and on, the activity repeats itself ad infinitum." Human subjectivity runs through the entire process like a red thread.

It is well known how important Marxist historical view—that is historical materialism—views the subject. From complicated and entangled social phenomena historical materialism has identified the basic propelling power for social development: Social production practice. In a class society the development of production is effected through class struggle, which becomes the direct dynamic for the development of the class society. The human being is the agent of production practice and class struggle and here they become subject. Historical materialism holds that in socio-historical realms there are objective laws independent of man's will; on the other hand, socio-historical laws can only be realized through consciousness and purposeful human action. Some people think this is a paradox but it is historical dialectics. Only those who have fallen into the habit of metaphysical thinking will feel that the two are mutually exclusive.

So it can be seen that the theory of "a loss of subject" is groundless. Given this, why have people been putting up much argument under this false hypothesis? It is not difficult to perceive their real intentions if we discover that their criticism is aimed at the so-called "new viewpoints" it has been preaching.

We Cannot Talk About the Constitution of the Subject Without Touching on Its Objective Origins

One of the criticisms of the "loss of subject" theory is targeted at Marxist reflectionism. In recent years, some people have blamed the loss of subject entirely on reflectionism and simultaneously launched attacks and strong criticism against it on the philosophical and literary fronts. Some picked on Lenin's "Materialism and Empirio-Criticism," accusing it of preaching so-called "intuitive reflectionism," the proof being the repeated illustrations in the book that understanding is no more than a replica, photocopy, or reflection of objective reality in human feelings. Using this, these people concluded that Lenin had used the words "reflection," "replica" and "photocopy" as synonyms, and biased toward mechanical materialism. This accusation does not make sense. It is true that Lenin repeatedly said that human understanding is merely a replica, photocopy, and reflection of the external world. However, this is far from being the whole of Lenin's theory of knowledge. Lenin gave this as an answer to the question of the origin of cognition; that is, whether it originated from the objective external world or appeared on its own and subjectively. Lenin wrote "Materialism and Empirio-Criticism" as a polemic work against Machists. On the problem of the origin of human cognition, Machists were of the view that cognition comes into being subjectively and is a "compound of sensations." This is the famous Machist epistemological proposition. Mach believed that sense data in physical experience constitute the foundation of the physical world. He said: "If we take away the combination of elements such as color and sound then, apart from their attributes, there will be nothing left to objects, materials, and matter." ("The Analysis of Sensation") This tells us unmistakably that the self-branded "latest philosophy," Machism, merely repeats Berkeley's basic philosophical viewpoints. Lenin criticized Machism not only because it was idealism in a new guise, but also because some leading figures in the Russian worker movement had believed in it, resulting in serious ideological and theoretical confusion. The debate between Lenin and Machism focused on whether the objective world is a compound of sensations or the reflection of sensation in the objective world. When such a great physicist as Mach went against the common sense of physics by saying that the objective world was a compound of sensations, Lenin had no choice but to repeatedly, to the point of being tiresome, stress the truth, which amounted to common sense. Was Lenin being superficial? No. It was the abysmal philosophical ignorance of Mach, a physics giant but a philosophical dwarf, which forced Lenin to talk about epistemology at the primary level. We know that the relationship between mind and existence is a basic problem in philosophy. In the theory of knowledge the problem is shown in the question whether the mind is born subjectively or originates in existence. The two different

answers to the question have resulted in two fundamentally different epistemologies and two conflicting epistemological lines. Just as the failure to resolve the ontological problem of whether mind determines existence or vice versa will leave all other problems unsolved, so with the failure to resolve the epistemological problem of the origin of cognition. Lenin grasped the fundamentals when he grasped this problem. How can we pride ourselves with some of today's knowledge in epistemology and accuse Lenin of being "superficial" or "limited?"

The objection to "reflectionism" is not new. Hungarian philosopher Lukacs, now seen as the pioneer of Western Marxism, had a similar viewpoint as early as 1923 when he published his "History and Class Consciousness." Lukacs had a hard life with many ups and downs. Along with rising appreciation in the West, some of his views are now widely praised. On why he opposed reflectionism, Lukacs said: "I very much hate mechanical fatalism and, in mechanical materialism, a constant feature with fatalism is reflectionism. The messianism and utopianism in my thought and my view of the superiority of practice, all strongly oppose mechanical materialism." ("History and Class Consciousness"). Here, Lukacs equated reflectionism with mechanical materialism and opposed both equally, as did some of the scholars in this country. More radically opposed to reflectionism and mechanical materialism was the Yugoslav "Practice School," whose leading figure, Peter Luovech [bi de luo wei qi 1764 0539 3157 4850 1142], said: "Reflectionism is incompatible with the Marxist concept that man is a creature engaged in creation and practice." He believed that the passivity that goes with the category of reflection cannot be changed and the attempt to rescue the belief with the concept of "dynamic reflection" is contradictory in adjectio (a Latin phrase meaning contradiction in terms) and will achieve nothing. Another leading figure of the school, Kangaerga [kan ge er jia 0947 2706 1422 0502], also said that reflectionism was mechanical in nature and cannot be rescued. Therefore, Engels' and Lenin's materialism and Lenin's reflectionism should be viewed as "mechanical and intuitive materialism" and accordingly dumped (all this can be found in "A Symposium on Yugoslav Philosophy"). Thus, the opposition to "reflectionism" at present is an international intellectual trend, which targets dialectic materialism while apparently attacking mechanical materialism and fatalism. It first simplifies and vulgarizes "reflectionism" and then wages war on this distorted target. Is this not enough to make us stop and think?

While some people oppose "reflectionism," others have suggested replacing it with "constructionism." What is "constructionism?" Originally it was a theory by the famous Swiss psychologist, Piaget. He believed: "Cognition does not begin with a conscious subject, nor with a formed (in the view of subject) object which can imprint itself on the subject. Cognition originates in the mediation between subject and object, which occurs midway between subject and object." ("The Principles of the Origins of Cognition"). Piaget argued for the existence of

a cognitive construction, which assimilates stimuli from the objective, external world. Cognition is not the mechanical and passive reflection by the subject of the objective and external world, but a selective and transformed result by human cognitive construction of messages from the external world. This theory carries a certain amount of rationale. That is, it emphasizes that cognition is not a linear and one-way move between subject and object, but a two-way, reverse process. In cognitive activity, the subject is not in an inactive and passive state but an active and dynamic one. This shows that this psychology school has dialectic elements. However, Piaget reduces man's cognitive constructions to "mathematical and logical constructions" and believes that such constructions have an innate self-regulatory mechanism. This shows that he has been influenced by Kant's view of transcendental epistemological form and had fallen into the quagmire of transcendental idealism. Piaget's contribution to psychology is undeniable and his cognitive theory contains reasonable elements but his reducing cognition to the activity of man's innate cognitive constructions is where his psychology erred. How can we see it as better than, and thus a substitute for, Marxist cognitive theory? Marxist cognitive theory needs to develop and absorb nutrients from the positive results of modern sciences, including Piagetian psychology. There should be a premise for borrowing, namely, what is being borrowed should indeed be scientific and objective truths and not otherwise. We should analyse many fashionable theories and cannot follow any of them blindly without telling if they are true or false, valid or invalid. Otherwise it would not be scientific.

We Cannot Talk About Choice by Subject Divorced From Objective Historical Laws

In recent discussions on "subjectivity" a bias toward indeterminism has appeared which is shown sharply in its contrasting historical inevitability with historical contingency, and historical law with subject, and especially the selective functions of subject, and in its denying the existence in the historical realm of necessity and law in the strictest sense. Some authors have explicitly criticized determinism, equating it with mechanical materialism. They said: "Determinism is content to remain at a level where there are only abstract 'determining functions' and 'counter-functions' between productive forces, productive relationships and economic foundations on the one hand and superstructure, social existence, and social consciousness on the other; it takes social material conditions and material relationships as the 'subject' and human activities as the predicate. It basically remains in the category of mechanical determinism and in practice is similar to natural determinism." Some authors hold that, in the historical realm, there is no such thing as a linear causal relationship, only probability, which may take the form of "possibly this or possibly that." Some even think that: "Slavery, feudalism, capitalism, and socialism are all the result of human choice, in the form of social relationships made on the basis of ability and interests." We cannot consider

this view correct because historical laws are realized through human activities and are much more complicated than natural laws. For a while history may be at a crossroads with many different kinds of future. This is not infrequent and, in the historical process, the selective functions of the subject are often, within a certain scope, significant. However complicated historical development and however significant the choice of subject is, the voyage of history will always progress according to a certain course. History may have been created by man but not in accordance with a common will or plan. At first glance, much in the historical realm is contingency and probability, leaving lots of room for the selective functions of the subject. Behind this contingency, probability, and the space for the subject's selection, lies a functioning necessity. Engels pointed out that because there are different kinds of human will and activities in the historical realm, numerous overlapping and contradictory forces are formed. These forces in turn form, as it were, numerous parallelograms, and historical incidents are the results of these forces and of the functions of these parallelograms. The fact that one among many forces finally dominates the rest, and the reason why the parallelograms incline in a certain direction, is not determined by the will of any one person, or even any one class. This will obey the objective historical law, which is none other than Marxism. Engels has repeatedly pointed out that the development of production is the fundamental power for historical development.

The subject-object relationship in the historical realm is a very complicated problem. It was not satisfactorily resolved before the formation of Marxism. Idealists either said that history was determined by human will or attributed the momentum of historical development to some kind of abstract rational principle. Although materialists had tried to come up with a different conclusion from the idealists, because they could not determine the exact nature of material existence in the historical realm, the attempt proved a failure. They either came to much the same conclusion as the idealists or were trapped in their own absurd circle from which they never successfully escaped. The emergence of Marxism altered this situation and, since then, the subject-object relationship in the historical realm has been scientifically clarified. Marxism has adhered to materialism and dialectics. On the one hand it sees that there is a special material existence, that is social existence, which differs from natural objects and there exists in the historical realm, as in the natural world, objective laws independent of human will. On the other hand, it believes that historical laws differ from natural laws in that the former cannot be divorced from human activities and so, in the historical realm, man as subject can give full play to his creative functions. Some people think that historical determinism amounts to historical fatalism. This view is groundless. Marxism holds the position of historical determinism but this is definitely not historical fatalism. It has never held that all that has happened in history was fate. Marxism recognizes historical necessity but does not deny historical contingency; it sees contingency

as the form in which necessity manifests itself and also as complementary. Ultimately, Marxism only says that the fundamental power in all the power responsible for historical development, is production, and lies in the material, economic category, while admitting other political, intellectual, and cultural functions in historical development. As Engels pointed out, history moves ahead by a composite force and within this composite force economic necessity constitutes a red line threading through the entire development process.

People who oppose historical determinism like to say that history is created by man. They forget one thing: Man creates history under certain conditions and man's historically creative activities cannot but be restrained by historical necessity. Communism is our beautiful ideal but its success requires many conditions, including material and technological standards and man's spiritual level. Our conditions in various areas are still a far cry from communist ideals. Communism will not be here tomorrow just because we all yearn for it. In the 40 years since the founding of New China, and especially during the decade of reform and opening up, the socialist economic construction in our country has scored brilliant achievements. Because of our economic backwardness and the errors in our work, our productive force level still lags far behind developed countries. To bridge the gap the party central authorities have formulated a three-step economic development strategy. Here we can see that even bridging a gap requires certain conditions and is not dictated by people's subjective will. Some of the advocates of "subjectivity" exaggerate the creative functions of the subject and give it boundless scope, thinking that it can transcend matter and history and do as it wishes. In their minds, only when "subjectivity" is thus viewed will people be human beings with their true nature restored; a clear boundary be drawn against doctrines centering on matter; and will there be genuine humanism. Let us not attempt to evaluate humanism for the moment. In my view such an understanding of "subjectivity" ceases to take human beings as such and views them as demigods. Therefore it is not humanism or anything in contrast with doctrines centering on matter but a fully fledged doctrine centering on God. Marx said: "People create their own history, though not in a manner dictated by their will or under their chosen conditions; they do this under inherited, established conditions with which they are directly confronted. The traditions of dead forefathers obsesses the living mind as nightmares." ("The Eighteenth Brumaire of Louis Bonaparte") This passage is the best answer to the arbitrarily exaggerated view of historical subjectivity.

Indeterminism as a trend in the historical realm has not been infrequent in contemporary Western philosophy. The Neo-Kantian Marburg School denies that the task for social science is the discovery and study of the objective laws of social development and considers that no objective or necessary laws exist in the social or historical realms. The leading figure of the school, Licarte (li kai er te 2621 0418 1422 3676), distorted

historical materialism, reducing it to economic determinism and accusing it of "turning all of history into economic history and then into natural science," ("Natural Science and Cultural Science"). Thus, it could not lay bare the truth of history. He would not recognize the scientific nature of historical materialism and saw it as a product of party politics. We can see that this kind of "indeterminism" is directed at Marxism. The leading figure of "historical indeterminism" in the present day is the scientific philosopher, Popper. Popper has disagreed with Einstein's deterministic viewpoints and sided with Born in the Einstein-Born debate on the existence of objective laws in microscopic realms. The debate between determinism and indeterminism in physics is academic and to date there have been no unified theories on this problem among physicists. However, Popper's indeterminism extends beyond natural studies into historical fields and has publicly and directly challenged Marxism. He denies that regular phenomena exist in the historical realm; socio-historical incidents can happen only once and are not repetitive. He asserted that none of the forms of historicism (historical determinism) can stand and hence the impossibility of any correct prophecy in the socio-historical realm. He even declared: "Historical foretelling is knavery" ("Conjecture and Refutation"). He is against not only historical materialism but all kinds of deterministic philosophy. This accomplished philosopher in scientific philosophy has preached idealism—the element of chance and agnosticism—in the historical realm. Recently, Popper's name has become familiar in our academic circles owing to the spread of scientific philosophy in our country. His scientific boundary theory, his "falsification" method, and the "three worlds" view have been very influential. When people accept some of his concepts which are value-biased they come under his negative influence, the heaviest of which is his "historical indeterminism." Indeterminism has recently become popular in historical research in our country and we cannot deny that his influence has played some part in this.

We Cannot Talk About the Creation of Subjectivity Being Divorced From the Sources of Life

Literary circles have recently charged to the fore in the discussion on subjectivity. The important functions of subjectivity in literary and artistic creation have attracted wide attention but when articles like "On the Subjectivity of Literature" set subjectivity in total contrast with the sources of life, vehemently praising the former and condemning the latter, in reality they are propagandizing a kind of idealistic literary and artistic view.

"On the Subjectivity of Literature" violently attacks the view that literature should reflect life, condemning it as intuitive reflectionism which can only bring disaster to literature and holding that only when authors rely on subjectivity and self-consciousness can they reveal reality through artistic authenticity. Claiming to further the premise that "literature is in fact about man" the

author of the article puts forward the slogan that "literature is an in-depth study of subjectivity." The nature of literature, in his eyes, is "complete subjectivity and transcendence." "The author transcends all kinds of internal and external restraints and restrictions and the result will be a great internal liberation." He declared that literature should extend toward the inner universe (the author's subjective world) and only works of such achievement have immortal value. The article is a manifesto for "literary subjectivity" and a declaration of war against the Marxist literary and artistic views that literature originates in life and reflects life. No wonder its appearance has caused such a "sensational effect."

The functions of subjectivity should be given full recognition in the literary and artistic creative process. First of all, though life is the subject matter of literary works, materials from life are not artistic works. Such materials become artistic works only after the authors' processing and condensation. Such work includes screening materials, devising plots, portraying characters, selecting words, the aesthetic and ethical demands of the work, and so on. The author builds up his artistic world—his works—through such a series of subjective creative activities. This is what people mean when they say "art originates in, yet is higher than, life." Tolstoy's "Anna Karenina" was inspired by the suicide of the author's neighbor who was named Anna. The tragic social significance and the shocking and educational effects of the work surpass the suicide of the real Anna. This is common knowledge in literary history. Second, literature is different from science. Science aims to reveal the nature and law of objective things while literature, although reflecting life, expresses the feelings of the author, his thoughts, emotions, and aesthetic, ethical, and philosophical views. A scientist should be a cool observer, while a literary man must have emotions and must express strong likes and dislikes, love and hatred, and happiness and sadness.

It can thus be seen that the Marxist literary and artistic view fully recognizes the functions of subjectivity in literature. However, it opposes the gross exaggeration of subjectivity and authors taking the subjective world, the so-called "inner universe," as the source of art and literature. It also opposes opinions which mystify subjectivity, such as the opinion that once the door of the universe is opened, subjectivity, which has "supernatural wisdom," "extraordinary personality," and "extraordinary historical perception," will appear like an "omnipotent and dominating God" and will release the love held inside and, with it, "the most beautiful in one's own spiritual world" to society and human beings and will "cast a tremendous shadow on the outer universe," and so on and so forth. This kind of opinion contradicts artistic and literary laws and common sense. Anyone, even though he may be a literary genius, will be impoverished in living experiences once cut off from the outside world; his inspiration will run dry and he will be unable to turn out profound works, much less epoch-making ones.

Some people have cited works from the absurd school to prove that art is not the reflection of life. In fact, though absurd on the surface, these works still reflect life, except that the reflection has grown more complicated, containing as it were, certain distortions and transformations. British critic Martin Esslin said in connection with absurd writers that they were all searching for themselves; their works, however, "reflect sharply the bias, anxiety, and thoughts and feelings of the majority of their contemporaries." Though heavily influenced by the founder of existentialism Kierkegaard, Kafka's "Metamorphosis" subtly reflects contemporary Austrian life. Though difficult to understand, Joyce's "Ulysses" is viewed by some critics as an "enormous portrait of Dublin life." This demonstrates that art and literature have their peculiar way of reflecting life but by no means can we say therefore that the sources of art and literature rest in the inner world.

The view that grossly exaggerates literary subjectivity may appear novel but in Western literary history it is not at all new. As early as 200 years ago the German romantic literary theorists, the Schlegel [shi lei ge er 0670 7191 2706 1422] brothers saw poetry as being limitless and free and believed that poets should not be restrained by anything. More recently, various modernist school and aesthetic theories have pushed subjectivity and consciousness of the self to new extremes. All these theories have been influenced by phenomenology and existentialism in Western philosophy. They preach subjective sensations and propound the view that intuition is the truth, thus excluding living experiences from the list of conditions which a writer should have acquired before embarking on creation. It is no accident that Kafka viewed Kierkegaard as a bosom friend and set his works up as standards because this shows that modernist literature and aesthetics share the same spirit as Western contemporary idealist philosophy. Some of the recent biased theory about "subjectivity" in our country has obviously been influenced by Western modernist literature, aesthetics, and certain Western philosophical views.

In sum, the focus of the debate on subjectivity should not be on whether or not we should attach importance to it but on whether or not there should be a limit to the stress of subjectivity and whether or not we discuss the creative functions of subjectivity under the premise that cognition originates in the objective world; the selective functions of the subject are conditioned by objective historical laws; and that art and literature have their sources in life or the other way around. Some writers talk about subjectivity deviating from these premises, with the result that they stray onto an idealist path. Under the influence of bourgeois liberalization there has recently appeared a tendency to arbitrarily distort Marxism and then criticize the distorted Marxism. Marxism will develop and it is wrong to ossify it. Creating needs a premise, and that is the adherence to the Marxist principle that truth must undergo practice and repeated verification. Otherwise there would not be intellectual

vitality as the party has advocated, but widespread confusion. The lessons in academic, artistic, and literary circles over these past few years have fully proved this point.

Youth Federation Election; Conclusion of Plenum

Chairman Reelected

OW2308204890 Beijing XINHUA Domestic Service
in Chinese 1220 GMT 23 Aug 90

[Text] Beijing, 23 Aug (XINHUA)—Liu Yandong, the 44-year-old secretary of the Secretariat of the Chinese Communist League [CYL] Central Committee, was reelected as chairman of the All-China Youth Federation [ACYF] today. She has served in this post for five years.

Liu was re-elected along with the vice chairmen and Standing Committee members of the new ACYF during the first plenary session of the Seventh ACYF Committee this morning.

The 13 vice chairmen are: Losang, Li Yuanchao, Zhang Baoshun, and Li Keqiang, members of the Secretariat of the Communist Youth League [CYL] Central Committee; Wu Yingfu [0702 5391 6534], associate professor of the Mathematics Department of Beijing Teacher Training University; Zhang Rongfang [1728 5554 5364], deputy director of the Training Affairs Bureau under the State Physical Education and Sports Commission; Comiling Dandzim Chilai, vice president of the Tibet Chapter of the Buddhist Association of China; Qin Dahe [4440 1129 3109], associate research fellow of the Institute of Cryopedology under the Lanzhou Branch of the Chinese Academy of Sciences; Guan Mucun [7070 3668 2625], performer of the Tianjin Song and Dance Theatrical Company; Huo Zhenhuan [7202 7201 1403], executive board member of the Hong Kong Yourong Corporation, Limited; and Yang Yue [2254 1471], chairman of the Qinghua University Student Union.

The session today also elected 92 members to form the first standing committee of the Seventh ACYF Committee.

Plenary Session Concludes

OW2308194990 Beijing XINHUA Domestic Service
in Chinese 1226 GMT 23 Aug 90

[Text] Beijing, 23 Aug (XINHUA)—The first plenary session of the Seventh Committee of the All-China Youth Federation [ACYF] closed in Beijing this afternoon.

The session urged all ACYF organizations and committees across the country to give full scope to their responsibilities in serving as the bridge between the party and the government on the one hand and young people on the other, give full scope to ACYF organizations' responsibilities in representing and safeguarding young people's legitimate rights and interests, and rally even more closely all patriotic Chinese young people who love

socialism to make concerted efforts and work hard with even higher morale in creating a new situation and striving to accomplish the historical missions set for the committee of this term under CPC leadership and the banners of patriotism and socialism.

The meeting approved the work report which Liu Yandong, chairman of the Sixth ACYF Committee, made on behalf of the Sixth ACYF Committee Standing Committee, and it approved the resolution concerning the revision of the ACYF charter. The revised ACYF charter states even more clearly that the ACYF is "one of China's basic mass organizations, a federation of youth groups with the Chinese Communist League [CYL] as the core, and a broadly based patriotic united front organization of young people of all nationalities in all circles in China." As for the ACYF's basic missions, the revised charter has this addition: "In the broadest manner it represents and safeguards the legitimate rights and interests of young people of all nationalities in all circles; it actively guides young people to lead a wholesome social life; and strives to facilitate the healthy growth of young people of all nationalities in all circles so that they will work hard to become useful people." New rules have also been added to certain articles and clauses of the revised charter.

In his closing speech, ACYF Vice Chairman Losang said that the session had been a united, inspiring, lively, vibrant, and morale-boosting meeting. ACYF committee members of all nationalities and from all organizations and circles have conducted an extensive exchange of views. They have freely shared their individual observations, carrying forward ACYF organizations' fine traditions and work style of encouraging young people to conduct democratic discussions of important affairs. Because of the extensive exchange of views during the session, the committee members not only have acquired a more profound understanding of the national situation and a clearer idea of their historical mission and what they should work hard for, but also have heightened their morale and become more courageous and assured of success.

It has been learned that the session has also established the "ACYF Talents Foundation" for the cultivation of talented people among ACYF committee members.

Li Tieying Attends Meeting on Higher Education

OW2408101190 Beijing XINHUA Domestic Service
in Chinese 1445 GMT 17 Aug 90

[By reporter Zhao Wei]

[Text] Dalian, 17 Aug (XINHUA)—The Advisory Committee on Institutions of Higher Education directly under the State Education Commission ended its first meeting yesterday. At the meeting, the principal responsible persons from 36 institutions of higher education in various parts of the country arrived at a common understanding: Maintaining stability in institutions of higher education, upholding socialist education orientation,

and giving first priority to moral education is not only an urgent task of these institutions, but also a strategic mission of long-term importance.

Li Tieying, member of the CPC Central Committee Political Bureau and minister in charge of the State Education Commission, attended the opening ceremony of the meeting. He also had conversations with the party committee secretaries and presidents of some of the universities and colleges and heard their opinions on developing higher education in our country.

He Dongchang, vice minister of the State Education Commission, addressed the closing session. He said: The past year has seen a stable situation in institutions of higher education, and progress in all areas of their work. A fine situation that we had not experienced for some time appeared. It should be noted that many deep problems following last year's political disturbance still have not been resolved.

He pointed out that at present the key task of institutions of higher education is to strengthen political and ideological work and the work of party building, improve the party's leadership, and try to understand the law of class struggle within a certain scope during the new period. Under the new circumstances, he said, class struggle finds expression in the antagonism between bourgeois liberalization and the four cardinal principles and in the collusion between domestic and foreign hostile forces.

He Dongchang said: It is imperative to strengthen the teachers contingent politically and ideologically, and, in particular, to strengthen ideological education of young teachers. As far as teachers are concerned, since they are part of the working class, they should have the stand and sense of historical mission of the working class. He stressed: While conducting education concerning theoretical questions on socialism, institutions of higher education should carry out in-depth education and struggle against bourgeois liberalization. At the same time, it is necessary to pay attention to uniting the broad masses of teachers with a view to forming contingents of Marxist theorists in institutions of higher education.

At the seven-day meeting, the representatives held serious discussions on a number of questions, including the main aspects of the work to be carried out in the near future by institutions of higher education directly under the State Education Commission, the Eighth Five-Year Plan, the outline of the 10-year program, the strengthening of the teachers ranks in universities and colleges, the enrollment of postgraduate students in 1990, and the job assignments for graduates.

CPC Army, Government Persons Reshuffled

HK2408072590 Hong Kong KUANG CHIAO CHING
in Chinese No 215, 16 Aug 90 pp 14-15

[Article by Chang Meng-yen (1728 1322 1484): "The Inside Story on the Big Reshuffle of Army and Government Responsible Persons in the CPC"]

[Text]

Jiang Zemin Says the Succession Task Is Pressing

Jiang Zemin recently stated that politically the succession issue is urgent and that it is a very pressing task to allow them to understand the national conditions and the modern history over the past 100 years.

Big Reorganization of the High Levels in Provinces, Regions, and Navy

Following the change of CPC leaders in all military regions in May this year, the CPC again reorganized high-level leaders of the Navy and leaders at and above the level of Army commander on a large scale, mutually transferring the principal leaders of some provinces and regions at the beginning of July. At the same time, local personnel in many prefectures, counties, and cities have also been readjusted successively.

Change in the Positions of the Governors of Hebei, Henan, and Liaoning Provinces

The exchange of high-ranking officials at the provincial level was decided by the CPC upper echelons in June. At the beginning of July, RENMIN RIBAO officially disclosed an important policy decision formulated by the CPC Central Committee on the exchange of cadres among provinces, which transferred Yue Qifeng, governor of Hebei Province, to Liaoning Province as governor; transferred Cheng Weigao, governor of Henan Province, to Hebei Province as governor; and transferred Li Changchun, governor of Liaoning Province, to Henan Province as governor. Apart from exchanging responsible persons among provinces, China has also changed the first secretaries and governors of many provinces. In the short period up to July this year, the provincial party committee secretaries and governors of at least 11 provinces were changed.

The Practice of Transfer Is a Consistent CPC Method

The practice of transferring cadres at the provincial and Army commander levels is a consistent CPC method. This was also a major "invention" to stabilize politics and to develop the economy during the Mao Zedong era. Many important leading CPC cadres have been transferred to and held posts in many places. Wan Li, who is currently chairman of the "People's Congress," is a typical example. Jiang Zemin, general secretary of the CPC, and Li Ruihuan, Political Bureau Standing Committee member, are also typical examples of cadre exchanges. Wan Li, chairman of the the National People's Congress [NPC] Standing Committee, was transferred on many occasions in his early years. He first held the posts of secretary of Beijing Municipal Party Committee, vice mayor of Beijing, and minister of railways for many years. In June 1977, he was transferred to Anhui Province as first secretary of the provincial party committee, then to the central authorities as vice premier of the State Council, and finally became chairman of the People's Congress.

A Monk From Outside Does a Good Job in Chanting Scriptures

Some people were worried that the practice of transferring cadres from familiar to unfamiliar places was disadvantageous to their work. Practice proves that although there is a question of environmental adaptation for the responsible persons at the beginning of their transfer and after readjustment, and although some responsible persons cannot do as much as they could in their former units, the achievements in the official careers of many people should be affirmed. The CPC high levels hold that the transfer of cadres provides the following two advantages: 1) It can overcome, and prevent the emergence of, a mountain-stronghold mentality and sectarianism and is beneficial to the central authorities in strengthening centralized and unified leadership and 2) Through exchange of cadres, it can strengthen the cadres' sense of responsibility and provide an opportunity for the cadres to put their ability to good use to facilitate changes in the outlook of backward areas and units. When Wan Li went to Anhui from Beijing, he directed the peasants in Anhui Province to implement the system of contracted responsibility on a household basis with remuneration linked to output and changed the backward outlook of Anhui very quickly. As another example, after Li Ruihuan was transferred from Beijing to Tianjin to take charge of the government, he also scored good achievements in his official career. There are many similar examples that can be enumerated. Had China not carried out the practice of transferring cadres, many historical facts of China would, it is feared, have had to be rewritten.

Deng Xiaoping Is Still Commander in Chief in This Transfer of High-Ranking Officials of the Army and Government

Following Mao Zedong, Deng Xiaoping, as the leadership core of the second generation of China, attaches great importance to the application of this magic weapon invented by Mao Zedong. At an enlarged meeting of the Central Military Commission, Deng Xiaoping said: "If there is a mountain stronghold it must be removed and levelled. Cadres must be exchanged and must not be placed together. When some people are suitably transferred to other places they can keep contact with other people, understand different situations, and can handle things more carefully when these things crop up. In a word, it is not good for a cadre to stay in one place too long. It is necessary to educate cadres and to explain this matter clearly to them." After Deng Xiaoping took charge of the work of the CPC Central Committee, he formulated the policy decision on the important transfer of personnel. Although Deng announced his retirement at the end of last year, the majority of this transfer of high-level Army and government personnel was his idea. Prior to this transfer, Jiang Zemin, Yang Shangkun, and Song Ping conducted in-depth consultations with Deng Xiaoping to determine the plan and choice of persons.

Deng Xiaoping is, as it were, still the commander in chief in this important change in Army and government personnel.

As to the reason for this big transfer, this reporter maintains that it was done mainly from political and economic considerations.

Deng Xiaoping Says: If the Political Power and Fruits Gained by the CPC After Several Decades of Hard Struggle Are Thrown Away Lightly, This Will Be the Biggest Crime

Deng Xiaoping said that if the political power and fruits gained by the CPC after several decades of hard struggle are thrown away lightly, this will be the biggest crime. The CPC will by no means do this.

Such "Fighters" like Wuer Kaixi Have Endless Selfish Desire and If They Assume Power, China Will Really Be Miserable

Deng Xiaoping's criticism of this type of so-called "democracy standard-bearer," "hero of democracy," and "fighter for democracy" like Wuer Kaixi is that their desire is boundless, their selfish desire is boundless, and their ambitious desire cannot ever be satisfied. If they assume power, China will really be miserable! In fact, they basically do not have the ability to administer China.

It Is Imperative To Guarantee the Smooth Succession of the Third Generation Headed by Jiang Zemin

Viewing the changes in the "major international climate" politically, especially the sharp changes in all Eastern Europe countries, Deng Xiaoping and the CPC higher levels have been worried. After the "4 June disturbance" last year, Deng Xiaoping came to feel more profoundly the importance of the Army in consolidating political power. During the "4 June disturbance," although the CPC maintained that the Army was basically qualified politically, while looking forward to the future it was worried that once Deng Xiaoping died, there would be many problems. With a view to preventing separatist warlord regimes and "peaceful evolution," they ensured that leadership power over the Army was in the hands of trustworthy and reliable persons and guaranteed the takeover by the CPC Central Committee with Jiang Zemin as the core. The CPC Central Committee headed by Deng Xiaoping and Jiang Zemin decided to readjust the responsible persons in all military regions, and responsible persons at and above the level of Army commander level, breaking the tradition of promotion according to seniority. In this readjustment, whether or not people were politically reliable was therefore placed in the first position. Zhang Gong, a spokesman for the Beijing martial law enforcement troops who is relatively junior, was promoted more than one rank to the post of political commissar of Beijing Military Region. Some generals, who rendered meritorious service by directing their troops to clear the square and by enforcing martial law during last year's "Beijing

disturbance," were also promoted. Zhou Yusahu of the 24th Army, who has just been appointed commander of the Armed Police Force, is an obvious example.

Although the changes in the governors of three provinces were mainly effected from political considerations they were also made for economic reasons. After the "4 June disturbance" last year, Deng Xiaoping required the Political Bureau headed by Jiang Zemin to do several things in a down-to-earth manner, especially in preventing an economic decline. Over a year has elapsed and, although the economy has not declined, the economic situation is not ideal and there are many serious problems that need solution. To invigorate the economy and to continuously uphold the image of reform and opening up, Deng Xiaoping and Jiang Zemin have, therefore, hoped that through the mutual transfer of responsible persons at the provincial level, a new situation in economic work can be created. In view of this, Li Changchun, the youngest governor in China, who is regarded as a "star of tomorrow," has been transferred to Henan Province to take up a key government post in the central plains. If he does a remarkable job in administering the government in days to come, it is believed that he will soon have an opportunity of promotion to the center and entering the Beijing higher levels. According to authoritative sources, the Seventh Plenary Session of the 13th CPC Central Committee will be held in November this year. Before and after this session, the leaders of many provincial party committees will be reappointed and the governors of some important provinces will still be mutually transferred in the future. It is only through practice that answers can be given to the questions of whether or not the aim of transferring high-level officials of the party, government, and Army by the CPC Central Committee can be achieved and whether or not the results are good.

Third Installment of TV Series Narrative

HK2308140090 Beijing GUANGMING RIBAO
in Chinese 5 Aug 90 p 2

[Third installment of a television series narrative by Xiao Ying, Liu Qing, et al: "Course of the Century—Thinking in Length and Breadth About the Four Cardinal Principles (Narrative)"; installments one and two were published in the 23 August China DAILY REPORT]

[Text]

The Chapter of Unity Great, Rocklike

This is Changan Avenue which extends from east to west of the Chinese capital. Probably, Changan derives from the meaning of "long-term stability." Over thousands of years in the past, however, Changan has merely been the pipedream of all previous emperors. This 10-li-long avenue genuinely became Changan Avenue on that day:

(Caption: 1 October A.D. 1949)

Citizens of the Republic, do you still remember this historical moment? Do you still remember your mood, enlightenment, and feelings? This book ("When the Gun Salute Was Fired" collection to mark the 40th anniversary of the PRC's founding) has recorded in detail every historic event at the time when the gun salute was fired.

In a mountain village of Hunan's Ningxiang County that very day, a woman who had lost her husband after the great revolution found the photo of the martyr which had already turned yellow. She looked at the photo and touched it again and again. Suddenly, she burst into tears and knelt down, calling the spirit of her husband: "Do you know that New China has been founded? Do you know that revolution has been successful?" The old father of the martyr tore down the label on the shrine which read "heaven, earth, emperor, relative, and master" and respectfully put up a piece of red paper with the words "Long Live the PRC."

On that very day, two leaders of the old regime were settling their accounts piled up over the years in Guangzhou. Acting President Li Zongren flew into a rage and pointed at Chiang Kai-shek, enumerating his mistakes in administering the country. Chiang Kai-shek, who had always been arrogant and imperious, felt desolate at this moment. He recognized his total failure for the first time. When he persuaded Li Zongren to escape across the sea, Li stroked the table, saying: "Only the bastards will go to Taiwan!"

Also on that day, noted professor Liang Sicheng of Qinghua University was invited to the Tiananmen Tower. As designer of the Monument to the People's Heroes, he was probably mourning his father Liang Qichao, chief commander of the 1898 Reform Movement, who underwent twists and turns all his life.

On that day, tens of thousands of the People's Liberation Army [PLA] cavalry were sweeping over the great northwest. Leng Yue of Qilianshan was giving evidence: Almost all the officers and men of the Red Army's west route troops were killed by the horses and sabers of the Majia troops 13 years ago. Today, it is time to settle the accounts and let the country once more see the light of day.

Also on that day, an Army officer of the Second Field Army was among the procession. He kept an indenture, by which he was sold, next to his heart. Although the indenture separated him from his parents, it also impelled him to plunge himself into the embrace of revolution. He carried the indenture from the square to the battlefield to liberate the great southwest.

Also on that day, the officers and men of an independent division of the PLA's First Field Army saw the bronze coffin of Genghis Khan, proud son of heaven for a day, at the resplendent and magnificent Taer Monastery in Qinghai.

At around 1500 on that very day, noted announcers Ding Yifeng and Qi Yue started relaying the grand occasion of the founding ceremony to the people of the whole country.

From Mohe on the northern border to Zengmuansha on the southern border; and from the towering Kunlun to the vast Donghai, the largest country in Asia was once torn to shreds by imperialism. With 56 nationalities today, it supports a population accounting for one-fourth of that of the world. With the dignity of a state exercising people's democratic dictatorship, it again stands erect in the east.

Tracing the strides of the People's Republic, we are thinking: Where do they come from?

In the Forbidden City, you can see verses wishing the emperor a long life on the beam and pillars as well as the spirit of those who prostrated themselves before the emperor on the steps. During the feudal autocracy which lasted thousands of years, we do not know when worshipping on bended knees became the highest etiquette from the imperial court to every household.

History traversed the Qin and Han Dynasties, witnessed the rise and fall of the Tang and Song Dynasties and the end of the Yuan and Ming Dynasties, and finally reached the year 1911. The roar of guns in Wuchang were earth-shattering and heaven-battering. The banner of the Qing Dynasty was replaced by the five-colored banner. Sun Yat-sen founded the Republic of China based on the three democratic principles.

Following his death, his successor, whose hands were stained with too much blood, was unwilling to inherit Sun Yat-sen's broadminded, profound democratic spirit. Before the beating of drums and gongs marking the victory of the anti-Japanese war, statesmen of the great southwest and northwest started to think about China's future. Be loyal or unfilial, seek brightness or darkness? The people were waiting for the answer.

Chiang Kai-shek offered his answer in "China's Destiny," which was written by scholar Chen Bulei and proofread by traitor Tao Xishen on Chiang's behalf. Regarding the mantle of feudalism as the cherished heritage, the article designed a feudal comprador autocratic country of big landlords and capitalists.

Mao Zedong presented his "On New Democracy" and "On Coalition Government," which pointed out that we should establish a People's Republic led by the proletariat, with the worker-peasant alliance as the foundation, and with the joint dictatorship of several other revolutionary classes. Mao Zedong, a Marxist who came from the caves, presented a blueprint for building the country incomparable by great men over the ages.

Looking up at the mansion of the People's Republic towering to the skies, we are thinking: Where is the first foundation stone?

(Music of the "Song of Peasants")

The familiar music brought us to the period between 1921 and 1927. Glistened with the brilliance of people's democracy, the peasant association was the political power in rural areas in the early period led by the CPC. When the flames of revolution kindled to the south, the slogan "all power to the peasant association" spread like prairie fire to more than 200 counties of the 27 provinces across the country.

The failure of the great revolution enabled the Chinese Communists to understand the truth "political power grows out of the barrel of a gun." Following the efforts made to combat the "encirclement and suppression" on three occasions, we built up a central Soviet area covering a space of 50,000 square kilometers in south Jiangxi and west Fujian. In November 1931, a Chinese Soviet Republic, standing up to the Kuomintang [KMT] as an equal, was established in Ruijin, Jiangxi. Ruijin became the first "red capital" in Chinese history.

When the Red Army was forced to take the Long March, all that could be thrown away was thrown away. However, Xie Juezai still carried a heavy seal around his neck. Mao Zedong asked the revered old man what treasure it was and why he was unwilling to throw it away. The veteran sternly answered: We rely on this instrument for our food. After taking a look, Mao Zedong was filled with deep veneration. It was a copper stamp of the Central Soviet Government.

Bearing misery, the Red Army was confronted with snowy mountains, marsh land, and the gods of war and death. Nevertheless, like a group of loyal pilgrims, they proceeded without hesitation toward their utopia.

Sunshine, autumn wind, and a piece of matured, golden land in 1949. The Chinese People's Political Consultative Conference [CPPCC] opened solemnly in Peiping. The ideals of building a country pursued by people over the generations were no longer an illusion.

The Communist Party remembers Song Qingling, a great friend who stood together with us through thick and thin over the decades. The Communist Party remembers Fu Zuoyi, a general who performed great meritorious service in the peaceful liberation of Peiping. The Communist Party also remembers Huang Yanpei, a 70-year-old veteran who declined the high position and handsome salary offered by Chiang Kai-shek. The people invited them to assume important government posts.

The milestone of the building of the state and political power carried a series of figures: In 1949, two of the vice premiers of the Government Administration Council were party members and the other two were from democratic party and nonparty personages; 10 members of the Government Administration Council were party members and 11 others were from democratic parties and nonparty personages; and 51 of the responsible persons of the organs directly under the Government Administration Council were party members and 42 others were from democratic parties and nonparty personages. This truly tells people how the multiparty

cooperation under Communist Party leadership demonstrates the political prosperity of the people's country.

According to textual research by experts, the shape of the character "people [min 3046]" is like sticking a needle into the eye. In the families of the headmen of minority nationalities in China's southwest before liberation, there were female slaves whose eyes were stuck blind. Blood on the character "min" has dripped for thousands of years.

The word "dictatorship" derives from Latin. It is a term used in ancient Rome for "dictators." True, since ancient times, dictatorship has always been the suppression of a minority over the majority.

Today, and only today can the people's democratic dictatorship exercise "dictatorship" of the majority over a handful of enemies. Today, and only today can "people" be openly included in the sacred name of our country.

The people's democratic dictatorship, which is the proletarian dictatorship with Chinese characteristics, is a great creation of the Chinese Communists.

During the initial period of the PRC's founding, the CPPCC solicited designs for the national flag from the people throughout the country. Within a short period of only a month, 2,992 designs were received from both at home and abroad. The people, from the founders of the state to ordinary citizens and from noted scholars to children at the age of 16, drew their cherished desire into the national flag. Finally, the CPPCC unanimously adopted the national flag of the People's Republic. The flag vividly described the body of our country—great unity of the revolutionary people under CPC leadership has laid down the most extensive, solid social foundation for our country. It turned into the five stars on the red flag, fluttering forever in the blue sky of the motherland.

The glacier is thawing and full-scale construction is under way. The people now have their own country. Relying on the powerful mobilization and organization of the state, the people have started a new chapter in the history of transforming heaven and earth.

The fundamental task of the people's democratic dictatorship is to emancipate productive forces and protect and develop new productive forces. The property of the four major clans became public property of the 450 million people. The people controlled the economic lifelines of the country. The peasants sow the seeds of hope for the first time on their own land. The "dockyard No 6" and "Santiaoshi" of Tianjin and the "Longxugou" of Beijing were inscribed on the tablets of merits and virtues of democratic reform. The fundamental social system and social traditions were transformed and the prostitute system which had lasted 3,000 years since the Shang Dynasty was wiped out overnight. The people's political power banned gambling and opium which could not be accomplished by Lin Zexu more than a century ago.

The "suppression of counterrevolutionaries," the "movement against three evils," and the "movement against five evils" constitute the dignity of the people's democratic dictatorship. The exploiters and criminals were transformed into new people who supported themselves by their own labor under the influence of the people's democratic dictatorship. The last emperor Fuyi, who turned over a new leaf, once said with emotion: "Man [ren 0086] was the first character I learned from the 'Three Character Primer.' It was not until today that I have come to understand the meaning of this solemn character and become a real man."

A country and its people cannot live in peace without defense and an army. It is the bounden duty of the people's democratic dictatorship and the People's Army to defend the country. In the war to resist U.S. aggression and aid Korea, there are legendary stories of Chinese sons and daughters of the 3,000-li country. Han Decai, a servicemen who was a child cow herder before he joined the Army at the age of 17, operated a plane after receiving training for a year or so in an aeronautical institute. He shot down Edward, a U.S. ace pilot. In the 3,000-li country, there are graves of numerous Chinese sons and daughters. There are also hundreds of thousands of corpses of the aggressors lying before them.

Before their death, the martyrs were ordinary peasants, workers, and students who just became masters of the country. Among them, there is Mao Anying, son of the chairman of the republic. When General Kim Il-song sent a telegram requesting to bury him forever in Korea, his father Mao Zedong could not sleep for the whole night. In the return cable, Mao wrote a line of desolate words: There are green hills everywhere to bury loyal bones; why wrap the corpse in horse hide and bring it back?

An army dedicated to a just cause is one which cherishes the people and peace. People say that wars can crush human spirit. Why, then, can the soldiers on the march put a wild chrysanthemum in the barrel of their guns? Why can the veteran squad leader suddenly stop to embrace a weeping young girl? On the eve of a battle, the artillerymen usually move their gunsights away from the residential areas. In the face of head-wind, the political instructor takes off his coat and hands it to the defeated enemy general. Floods, earthquake, seismic sea waves, fire, and large-scale construction—There are traces of soldiers everywhere.

The PLA is an armed political force founded and led by the CPC. As armed forces of the people, they maintain sharp vigilance at all times against enemy subversion and rebellion, defending the people and peaceful construction life. Armed with Marxism-Leninism-Mao Zedong Thought, they always constitute the strong pillar of the People's Republic, despite the change of situation and times.

Another golden autumn and another harvest season. The First National People's Congress, which opened solemnly in September 1954, adopted the first Constitution and elected the people's servants. From then on, the system of people's congress, the democratic system of New China, was regarded as the political structure of the PRC.

(The dome of the Great Hall of the People.)

While searching for the star on the dome of the Great Hall of the People, we thought of the worries of our leaders before the founding of New China.

When all was quiet in the darkness in Yanan, Mao Zedong wrote the following after reading Guo Moruo's "The 300th Anniversary of the Intrusion of the Manchus Into China:" Why does a small failure follow a small victory and a big failure after a big victory? Chen Sheng, Wu Guang, Li Zicheng, Hong Xiuquan... The waves raised by the long process of history are like a big question mark. During his visit to Yanan in July 1946, Huang Peizao's question coincided with that of Mao Zedong, "The previous dynasties in history have risen and fallen suddenly. Has the Communist Party found a better way to extricate from this vicious cycle?" At this moment, Mao Zedong had a well-thought-out plan. He answered with a smile: "I found it. It is democracy."

(Scene of voting by the NPC.)

Counting on the arms like forests, you may think of the arduous course of democratic building. While speaking of the liberated area 40 years ago, veteran painter Yan Han recorded the forgettable scene with his woodcut engraving.

The most simple and crude method was used in democracy to slough off the thick callus from the peasants' mentality and turn their apathetic attitude toward torture from poverty to self pride.

(Solemn vote cast by the people's deputy.)

What a solemn vote. It reminds us of the sacred rights of democracy.

Following an inspection tour of Jiangxi in 1930, Mao Zedong truly recorded an event in his findings: The countrymen told him that elections in the village were usually determined by a handful of people in the past. If a person is against a motion and refuses to raise his hands, he will be labeled member of the AB [expansion unknown] gang. Moreover, only party members were allowed to take office in the government. If you are not a party member, you have no chance at all. When Mao was informed of this, he muttered to himself for a long time. Later, he clearly pointed out in his findings of Changgang village: It is the most important rights of the masses to elect the Soviet government. In the elections, the number of candidates should be twice the number to be elected.

(The presidium of the Great Hall of the People.)

Staring at the solemn presidium, the nightmare remains fresh in our minds.

When Liu Shaoqi was attacked by the rebels, he shouted loudly with a hardcover copy of the Constitution: "I am a state president protected by the Constitution." However, whom can we expect the Constitution trampled by the "gang of four" to protect? The state president? Shi Chuanxiang, a people's deputy? Or Zhang Zhixin, an ordinary citizen? Red guards and red sea, everything was bloody black. Big character posters, great debate, great exchange of experience, and great democracy were disturbances which do not know the real meaning of democracy. If the democratic system is sabotaged, our socialist motherland will suffer great disaster! (The Great Hall of the People.)

Overlooking this grand hall, we thought of Marx's remark: "The statute book is the bible of people's freedom."

The system of the people's congresses which was paralysed for years resumed in 1979. It indicated the start of a new "period of legislation" in China. The large number of laws promulgated in the 10 years of reform is indeed rare in the history of both Chinese and foreign legal systems. On the basis of the four cardinal principles, the socialist legal system has been constantly perfected. By relying on law, the Chinese people are now establishing a just, harmonious social order which ensures social development and is also conducive to social stability.

Let us remember all this. Like cherishing our lives, let us cherish the bronze tablet hanging on the marble pillar.

(The NPC Standing Committee starts handling official business.)

If the mighty democratic tide predicted by Sun Yat-sen was something what we could only hear in the past, we can feel the intense emotion and epic vigor today when we are truly converged into this tide. Socialist democracy has manifested its unconquerable dignity in our country.

When the PRC was founded, Mao Zedong, the first state president, proclaimed to the world: From now on our nation will belong to the community of the peace-loving and freedom-loving nations of the world and work courageously and industriously to foster its own civilization and well-being and at the same time to promote world peace and freedom.

At 33 Waijiaobu Street, Beijing. The Foreign Ministry of New China was first set up here. Built in the late Qing Dynasty, it was first the residence of a German prince. Later, it became the "office of the premier to deal with external affairs." Today, we do not know the whereabouts of the officials who wore satin robes and hats with peacock feathers. The building, a mark of national humiliation in the past, has also gone forever. It has become a symbol of the independent diplomacy of a socialist country.

Following the victory of the war to resist U.S. aggression and aid Korea, Foreign Minister Chen Yi told reporters that if there was a United States in the world which was not to be offended, there is now a China which is not to be trifled with. Marshal Peng Dehuai said: The days when Western aggressors could occupy a country by just erecting some cannons along the eastern coast have gone forever.

A Chinese representative who appeared at the Bandung Conference in April 1955 once again gave a lesson to the arrogant god of war. As a peace envoy, Zhou Enlai's remark "seeking common ground while reserving differences" shocked the audience. The diplomats of all countries greatly admired the Five Principles of Peaceful Coexistence initiated by China.

The trip by Premier Zhou and Foreign Minister Chen Yi to Africa in 1964 caused a sensation worldwide. While leaving Ghana, Premier Zhou gave a special banquet in honor of Ghanaian attendants, drivers, and cooks rather than civil and military officials and diplomats. An ordinary black friend was moved to tears when the premier of a big country proposed a toast to him. No wonder the black farmers could use Chinese to call "Zhou Enlai, Zhou Enlai" even in the 1980's when a XINHUA reporter was covering news in a remote tribe in the center of Africa. Zhou Enlai has become the name of all Chinese.

On 25 October 1971, glad tidings beyond our expectations poured from the 26th UN General Assembly held in New York: With an overwhelming majority, the General Assembly expelled the KMT representative and restored the legal seat of the PRC. The assembly hall was seething with excitement and the friends from Asia and Africa sang and even danced with joy. Some embraced each other while others raised their arms. When the CPC decided to send Qiao Guanhua to attend the UN General Assembly, Chen Yi, who was suffering from fatal illness, gave a farewell party at his residence. The marshal who knew he would pass away very soon took his last cup of Maotai that day. Oh, the heavy rain in Jakarta, the scorching sun in Africa, and sleepless nights in Algeria—all these were not experienced for nothing. All these have been rewarded in the wine of victory.

Although the United Nations expelled the representative of Taiwan, the people on the mainland have never forgotten their compatriots in Taiwan. The tears of yearning shed over the past 40 years are enough to raise the waves and the water level of the strait by one fen. Numerous founders of New China as well as statesmen who kept the isolated island going by painstaking effort passed away with regret of the failure to personally witness reunification of the motherland.

Since ancient times, unification has always been bloody politics. Today, the Chinese people wish that it can carry the melody of peace. With the breadth of vision of a revolutionary and wisdom of an oriental, Deng Xiaoping

proposed the concept of "one country, two systems" as early as in 1981. The world's political circles hailed this tentative idea.

(Taiwan compatriots go to their homeland to visit relatives.)

After being separated for a period of time, they have now returned. In the past 40 years, their black hair has turned white. After all, this is their home. Year in year out, the maple leaves look red and chrysanthemums yellow as usual. They feel that home is best.

China has traversed a long course of 5,000 years and experienced numerous tribulations. It is this day that the political power of the people can, with its immense centripetal force, rally the sons and daughters of the Chinese nation around itself. Relying on the political power of the people, the 1.1 billion people have formed a firm great wall. Relying on the political power, the 56 nationalities are organized like the towering Mount Tai. Relying on the political power, we will make unremitting efforts to greet the great challenge which transcends the century!

Song Ping Urges Exploitation of Marine Resources

OW2208191490 Beijing XINHUA Domestic Service
in Chinese 1050 GMT 22 Aug 90

[By reporter Guo Xiusheng (6753 0208 3932)]

[Text] Jinan, 22 Aug (XINHUA)—While conducting an investigation of Shandong from 7 to 14 August, Song Ping, member of the Standing Committee of the Political Bureau of the CPC Central Committee, pointed out that there are good prospect for exploiting marine resources in this province and that it should try to succeed in the great task of developing the maritime economy.

In Changdao, a county surrounded by the sea on all sides, Song Ping showed great interest when visiting an aquaculture center. While looking at various facilities, he inquired about the work of the center. He told the local comrades who were in charge: All-out efforts should be made to exploit marine resources. In coastal seas, you can develop aquaculture projects. As for deep seas, you should develop the fishing industry. In addition, you should use scientific methods to processing marine products. All these are aimed at developing the maritime economy. An official from Yantai City reported that the city has a 702-kilometer coastline and more than 3 million mu of exploitable shallow-sea shoals which abound in sea cucumbers, prawns, and many other kinds of marine life. Hearing this, Song Ping said: You already have some 4 million mu of fertile cropland. If you also make good use of the more than 3 million mu of shallow-sea shoals by developing scientific aquaculture there will be a great potential for development. You should recognize this favorable condition and develop and exploit your resources in a planned and guided way. By doing so, you will contribute more to the state in the future. Dayudao Village, the biggest fishing village in

Rongcheng City, has a deep-sea fishing fleet consisting of 14 pairs of fishing boats with engines of over 185 horsepower. It also has 3,000 mu of aquaculture farms for cultivating kelp, scallops, and mussels. In addition, the village has built a refrigerated warehouse that can store 1,000 tonnes of marine products for export and a processing plant that can produce 2,000 tonnes of fish meal annually. Last year this village earned a total fishing revenue of 94 million yuan, a 20-fold increase over the 1978 record. Song Ping came to this village and talked cordially with the local cadres, praising the comprehensive efforts they had made to develop aquaculture, fishing, and marine processing. He said: If you do well in utilizing the sea to develop aquaculture, your income from one mu of ocean will be equivalent to revenue from 10 mu of farmland. The economic returns are quite large. So you should devote more efforts to this undertaking. You should develop fisheries comprehensively, study cultivation methods and processing techniques, produce a large variety of processed sea products, and supply them to the international market.

During the investigative tour, Song Ping talked to Jiang Chunyun, secretary of the Shandong Provincial Party Committee, and other leading comrades on developing and exploiting the province's aquaculture. He said: Shandong has a 3,000 kilometer coastline and large areas of shoals and coastal seas, which are great advantages. Shandong should attach great importance to the development and exploitation of the sea and conduct serious studies in this field. While continuing to develop agricultural production, it should make a serious effort to exploit its marine resources and organize a work force to promote oceanographic research and to spread advanced technologies. He added: With such a large labor force and a fairly developed industrial foundation, if Shandong uses science and technology to fully exploit its marine resources by developing aquaculture, fishing, and the processing of sea products, the province will be poised to make good use of the sea.

Li Peng Expresses Sympathy For Flood Victims

OW2308144190 Beijing XINHUA in English
1401 GMT 23 Aug 90

[Text] Hangzhou, August 23 (XINHUA)—Premier Li Peng made a telephone call Wednesday morning to Party Secretary of Zhejiang Province Li Zemin and Provincial Governor Shen Zulun, expressing sympathy and solicitude for the people in the flood-hit east China province.

Premier Li asked the party committees and governments of Zhejiang Province at all levels to make all-out efforts to help local people recover from the natural disaster.

Under the influence of typhoon Yancy over the past few days, rainstorms in Zhejiang have caused the inundation of large tracts of farmland, the collapse of numerous houses, and interruptions of telecommunications and transportation.

The exact number of casualties is not yet known, though injuries and deaths are believed to have been caused.

Li Ruihuan, Ding Guangen Attend Beijing Concert

OW2408042890 Beijing XINHUA Domestic Service
in Chinese 1439 GMT 23 Aug 90

[By reporter Feng Yingbing]

[Excerpts] Beijing, 23 Aug (XINHUA)—A vocal musical concert, which was prepared by vocalist Shi Guangnan, who died very young and failed to appear on the stage before his death, was held at the Capital Theater in Beijing this evening. Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee and member of the Central Committee's Secretariat and Ding Guan'gen, member of the Secretariat of the CPC Central Committee, watched the performance.

Before the performance, Li Ruihuan and Ding Guan'gen cordially met with Zhong Fuguang, mother of Shi Guangnan, his wife Hong Ruting, and daughter Shi Honglei. Li Ruihuan told them that yesterday was the 50th anniversary of Shi Guangnan's birth and everyone cherished his memory. The people are just. They always remember him because he has done them a great service. You should be proud of yourselves to have such a good relative.

Li Ruihuan said that everyone has to die in the end. What a man does during his life will always be evaluated by people after his death. In the other world, Shi Guangnan would be very happy if he knew many people were cherishing his memory and speaking highly of him. [passage omitted]

After the performance, Li Ruihuan, Ding Guan'gen, and other comrades mounted the stage to meet the performers. They had a picture taken with them for remembrance.

[passage omitted]

Publication Ceremony of Classical Works Described

OW2308193090 Beijing Television Service
in Mandarin 1000 GMT 22 Aug 90

[From the "Cultural Briefs" column of the "National News Hookup" program]

[Text] [video opens with a pan shot of a conference room with a banner hanging across the front wall indicating the occasion—the first publication ceremony for the "Series of Translation of Selected Works From Literary and Historical Classics." Video cuts to show some of the books published. Video then shows a close-up of Li Tieying as he addresses the audience. Video ends with representatives from 12 educational reform pilot counties receiving the books as gifts from unidentified officials.] The first publication ceremony for the "Series of

Translation of Selected Works From Literary and Historical Classics"—a key project of the State Education Commission's Seventh Five-Year Plan to collate classical works—was held in Beijing today.

Experts and scholars specializing in classical works from 18 key universities around the country spent nearly five years compiling the series. The first 51 volumes of the series have been published by Bashu Publishing House, and the next 50 volumes are scheduled to come out in June next year.

The series is born of Comrade Chen Yun's idea that there should be modern translation of classical works so that people who can read newspapers can also read and understand historical books.

Li Tiesing, minister in charge of the State Education Commission, said: I hope more people can learn from this series so that the wisdom of the Chinese nation accumulated over thousands of years will gain new vigor and shine with new splendor.

The first batch of the series was presented at the ceremony to each of the 12 pilot counties for educational reform in Hebei Province.

Economic & Agricultural

Moves To Attract Foreign Investment Discussed

OW2408104390 Beijing XINHUA in English
0937 GMT 24 Aug 90

[Text] Beijing, August 24 (XINHUA)—China has taken a series of moves to improve investment environment since 1980.

The moves include establishment of four "special economic zones" in south China's Guangdong and Fujian Provinces, opening of Hainan Island in the South China Sea and the country's entire coastal corridor.

In Fujian Province opposite Taiwan, new development zones have been set up over the past year to lure funds from Taiwan, whose businessmen have shown a growing interest in investing in the mainland.

The government's latest move is the opening of the Pudong area in Shanghai in May, 1990.

Pudong, an area slightly smaller than Singapore, is wedged between the East China Sea, the Yangtze River mouth and Shanghai proper. Concentrated development with both Chinese and foreign capital will turn the area into a free port, financial center and high-tech manufacturing base all in one, thereby revitalizing Shanghai, China's powerhouse since before the founding of New China.

China has been making every effort in the last 11 years to create a favorable investment environment for overseas investors. The efforts include drafting economic legislation, improvement of government work efficiency and

infrastructure, mainly roads, communications facilities, highways, airports and factory buildings.

By the end of 1989 the Chinese Government had approved around 22,000 joint ventures with foreign businesses, worth 33.76 billion U.S. dollars in foreign investment. Last year exports from these enterprises reached 4.5 billion U.S. dollars, accounting for nearly 8.3 percent of China's total export earnings.

Effects of Opening Policy Reaching Inland Areas

OW2408074290 Beijing XINHUA in English
0528 GMT 24 Aug 90

[Text] Beijing, August 24 (XINHUA)—The effects of the policy of opening to the outside world which began in 1978 are gradually reaching China's inland areas.

The number of foreign tourists visiting Dunhuang, a desert city in northwest China over 2,000 kilometers from the coast, has increased 30 percent annually for several years, according to Vice-Mayor Wang Chengye. The grottoes located near this city of only 20,000, have attracted as many as 31,000 visitors in one year, he said.

Wang is confident the second Eurasian continental bridge, an international railway connecting Lianyungang in east China with Rotterdam in the Netherlands, will bring even more foreign tourists when it is completed.

In 1979, Zhengzhou, the capital of central China's Henan Province, became an inland port, able to handle foreign trade directly. Last year, the city, where businessmen used to be looked down upon, recorded 1.2 billion U.S. dollars in imports and exports. In the past ten years, the city's imports have increased 20 fold and exports 6.1 fold. Zhengzhou now has trade relations with with customers in 120 countries and regions.

Since 1988 when the city set up an economic development zone, eight enterprises with 6.84 million U.S. dollars of overseas investment have been established.

A zone official said that because Zhengzhou is an important communications hub on the Eurasian continental bridge, over 200 foreign businessmen have come for talks on investing in 70 new projects, 20 of which have already been approved by the city government.

The bridge also passes through the industrial area around Xian, the capital of Shaanxi Province. The city has many military-industrial enterprises and major national industries enterprises which used to be closed to foreigners. The opening wind has even blown open the gates of these enterprises.

In the early 1980s, Xian's aircraft plant, which had previously only produced aircraft for military use, began to produce planes for civil use. The plant's "Yun-7" passenger planes are used on 51 domestic routes.

The company also produces aircraft parts for aircraft manufacturers in the United States, Canada, Italy, France and other countries.

The Tianshan Woollen Fabric Co., Ltd. of Urumqi, the capital of the Xinjiang Uygur Autonomous Region, has been selected as one of the ten best Sino-overseas joint ventures in China for three years running. The Sino-Hong Kong joint venture began production in 1981 with an initial investment of eight million U.S. dollars.

Over the past nine years, the venture's output value and profits have increased at annual rates of 28 and 57 percent respectively. The venture's three partners have earned 19.82 million U.S. dollars in extra profits.

Xinjiang's several dozen Sino-foreign joint ventures have a total overseas investment of 200 million U.S. dollars.

Economists believe that when the second Eurasian continental bridge opens, Xinjiang, the western gateway of China, will help the western and central parts of China open wider to the outside world.

Minister of Energy on Growth in Coal Production

OW2408023690 Beijing XINHUA in English
0146 GMT 24 Aug 90

[Text] Beijing, August 24 (XINHUA)—The high growth rate has elevated China among the biggest coal producers in the world as a result of a management reform in the country's coal industry, according to the Ministry of Energy.

China's coal industry registered an annual growth rate of 9.1 percent in the past four decades, "this growth rate is higher than that of any other country," said Huang Yicheng, minister of energy.

Last year China dislodged the United States from the top place in coal output, to become the world's No. 1 producer, by reaching a record 1.05 billion tons.

The soaring coal output has also enabled China to export more coal year by year. The country exported 10 million tons in 1986 and 15.3 million tons in 1989. Coal exports were only three million tons a year in the late 1970s.

As the first step of the management reform, the central government in 1983 encouraged local governments and farmers to dig coal along with the state. Farmers have since been allocated coal deposits and given tax breaks and ample credit. Last year such mines numbered 81,000 and their output—596 million tons—accounted for more than half of the country's total.

In the state-run mines, a new managerial method, the so-called "investment-output-profits-tied contract system," has been introduced. Under this system, the state purchases above-quota coal from mines at a price

higher than that set for the contracted output. Mines, which overfulfill profit targets, can also keep excess profits.

This system has given a great impetus to mines, said the minister.

The reform has also helped raise productivity. In 1986 per-miner output rose to one ton a day for the first time in history. It went up further last year, to 1.15 tons.

Another reason for the output growth is implementation of the open policy. Since 1980, China has made use of foreign funds totalling 2.57 billion U.S. dollars in the construction and expansion of a dozen mines with a total designed capacity of 61.2 million tons.

The country has imported 230 coal combines since the 1970s from some other countries including Japan, Poland, Federal Germany and the Soviet Union.

China Strives To Minimize Unemployment

OW2308140390 Beijing XINHUA in English
1105 GMT 23 Aug 90

[Text] Beijing, August 23 (XINHUA)—The Chinese Government has taken a series of new measures to hold the number of unemployed below five million through the remainder of the year.

The measures include increasing the demand for labor and job opportunities, controlling the transfer of labor from rural to urban areas, and strengthening the management of jobless persons and improving services for them.

According to Labor Minister Ruan Chongwu, the increase in the number of people entering the job market which began last year continues with 11 million people expected to enter the market this year. This figure, 500,000 more than last year, includes those already unemployed and new comers to the job market.

"The supply of labor this year far surpasses the demand," Ruan said.

Analysts say the increase in the number of job seekers is due in part to the economic austerity program and the coming of age of baby boomers born in the 1970's.

Another factor, according to analysts, is the great number of "surplus" farmers who have drifted into urban areas, adding pressure to already crowded job markets.

A Ministry of Labor official said this crush of people entering the job market will last longer and be harder to control than the one seen in the 1970s.

The State Council has issued new regulations to deal with the situation.

In May, the Ministry of Labor held a national telephone conference to call on labor officials at all levels to push themselves to help the 11 million people find jobs.

The State Administration of Taxation recently issued a circular ordering grassroots-level taxation departments to give preferential treatment to collectively-run enterprises that employ a certain number of jobless youths.

The People's Bank of China granted a 100 million-yuan loan to support labor service companies in an effort to expand job opportunities.

Western China's Gansu Province has decided to raise subsidies for "hard, dirty and tiring" jobs.

According to Vice-Minister of Labor Li Boyong, China has arrested the increase in the number of closed and idled enterprises in some provinces. By June, the number of workers affected by closures and cutbacks had dropped to 2.84 million from a peak of 6.68 million at the end of last year.

One expert said that in the final analysis, the expansion of job opportunities depends on orderly economic growth. More efforts should be made to channel surplus rural labor into the forestry, fisheries and animal husbandry industries, he said.

Urban areas, he said, should make greater efforts to develop collectively run and private enterprises to create job opportunities, unemployment insurance systems should be perfected, and professional training should be lengthened to delay the arrival of trainees on the job market.

Article on Bank Savings-Market Relation

HK2308003690 Beijing RENMIN RIBAO in Chinese
 13 Aug 90 p 5

[Article by Zhao Haikuan (6392 3189 1401): "Brief Discussion on Relationship Between Increase in Bank Savings and the Sluggish Market"]

[Text] What relationship does savings deposits and the commodity market have? Was the current sluggish market brought about by a big increase in savings deposits? These are topics of conversation nowadays. I would like to advance my opinions on these problems in this article.

A Big Increase in Savings Deposits Is an Important Factor for Successful Economic Improvement and Rectification

In recent years, savings deposits have increased by a big margin in China. Savings deposits in rural and urban areas increased by 133.4 billion yuan last year, accounting for 35 percent of the bank balance of 380.2 billion yuan the previous year, and 1.83 times more than the increment of 72.8 billion yuan in 1988 and 12 billion yuan more than the increment in 33 years from 1952 to 1984. This year has seen an even greater increase in

savings deposits in rural and urban areas, with the total amount of saving deposits increasing by nearly one fold compared with the same period last year. Though the increment contains public funds and private operators' capital, their proportion is insignificant, and this has been an outstanding issue for the last few years. Therefore it cannot change the fact that there has been a big increase in savings deposits since last year.

A big increase in savings deposits is an extremely important factor for our successful economic improvement and rectification. In 1989 the net money release nationwide was only 21 billion yuan, and the amount of currency in circulation was 9.8 percent higher than that at the end of the previous year, with the amount of money released being much smaller than 68 billion yuan and increase rate much lower than 46.7 percent for 1988, and they are also lower than the figures planned for this year. The situation with money supply is even better in the first half of this year, the money withdrawn is more than five times than that of the same period last year. Since the money supply was basically under control, the gap between total supply and total demand was closed to a certain extent, and currency value and prices tended to stabilize. In 1989, the level of retail prices at the end of the year was only 6.4 percent higher than at the beginning of the year, and in the January-May period it was only 3.5 percent higher than the corresponding period last year. At the same time, in 1989, the loan granted to various sectors of the national economy by the banks increased by 180 billion yuan, of which 120 billion was offered in the fourth quarter. In the first few months of this year, the bank loans were several times higher than the same period last year, facilitating and guaranteeing a 3.9 percent increase in the gross national product, and a 3.7 percent increase in the national income for last year, and a 2.2 percent increase in the industrial production for the first half of this year.

In this period, the principal reason for China being able to increase loans while controlling money supply is that we succeeded in absorbing a large amount of savings deposits. At present savings deposits constitute the main source of bank funds. Of the increased loans offered by banks and credit cooperatives, two-thirds came from savings deposits. The bank has other sources of funds, but it can only draw a small amount of money from them, and it is not likely to get a big sum of money from these sources in the near future. Restricted by their operation, the banks are also unlikely to greatly increase their reserve funds and enterprises their savings deposits. Therefore, without a big increase in savings deposits last year, that is, if the increment was the same as in 1988, or 60 billion less than the actual amount, the great achievements we scored in the drive to improve the economic environment and rectify the economic order would be out of the question. If there was not a large amount of savings deposits at our disposal, there were only two options open to us: If we chose to keep the amount of money issued below 21 billion yuan, we would have to reduce loans by several dozen billion

yuan. In that case, enterprises would have less operating funds, more debts would be in arrears, and the production would drop sharply. If we chose to increase loans as planned, the money issued would be much more than 21 billion yuan and prices would jump up to a greater extent.

We Should Not Attribute the Sluggish Market to a Big Increase in Savings Deposits

Indeed, savings deposits have everything to do with the consumer goods market. When the amount of cash and valuable securities in residents' hands remains unchanged, more money will be spent and less go to the bank. Historical experience shows that when there is a chronic inflation, namely, when commodity purchasing power is in excess of goods available (if there is a galloping inflation, savings deposits will not adequately play their role), an increase in savings deposits will effectively reduce the money with which residents plan to purchase goods to ensure their property will not shrink, easing the strain caused by total demand outstripping total supply. This was born out by the important role played by savings deposits in the course of economic improvement and rectification in recent years.

We should not overemphasize the influence exerted by savings deposits upon the commodity market. We can absorb the money which residents may manage to save or with which they originally planned to purchase goods to preserve the value of the money, by encouraging them to deposit money in the bank, but such a practice will hardly absorb the money earmarked for normal consumption. In addition, as inflation persists, depositors cannot offset interest income gained from deposits up to two years, other than inflation-proof savings up to three years, against the losses caused by inflation. Given the situation, the reason for a big increase in savings deposits lies in that residents could not buy more goods which are satisfactory and whose prices are acceptable, and that there were no other ways for them to preserve the value of their money. Therefore, it was not the supposedly attractive interest by which the bank drew a part of the money, which should have been spent in the market under normal conditions, that brought about the sluggish market.

The banks must find a use for money absorbed by offering loans instead of keeping it in their coffers. If we make a further analysis by integrating absorbing money and offering loans by the banks, we will realize that the bank's operation only changes the structure of purchasing power, that is, reducing purchasing power for some consumer goods and increasing purchasing power for means of production, rather than change the total amount of purchasing power. The change in the structure of purchasing power will reduce demands for goods that encourage unduly high levels of spending, or for those that are defective and expensive, but will not greatly affect the demands for products that are readily marketable and in short supply (including demands for new products). At the same time by increasing demands for

means of production, we are likely to boost the production of means of production in short supply. Therefore if we make the best use of the change in the structure of purchasing power, it will help make the industrial structure and the product mix more rational and contribute to economic improvement and rectification. From the perspective of the total amount of money: Since all the money the bank absorbed has been given to enterprises in the form of loans the same year, the problem of whether a big increase in savings deposits is to blame for the sluggish market is simply a problem of whether the difference between the savings deposits the bank absorbed and the loans it granted, or to put it more accurately, the difference between the sources of funds and fund application (as published), namely, the amount of money issued, is suitable. In my view, the fact that prices still increased little by little reveals that the money aggregates were still on the high side. Under the circumstances, a big increase in savings deposits did greatly reduce increased money supply, and curb inflation, but it did not lead to an absolute decrease in money supply, and insufficient total demand, which, in its turn, was responsible for the sluggish market. In fact, the sluggish market found in recent years is apparently of a structural nature, and such a sluggish market was not caused by total supply outstripping total demand.

Reducing Savings Deposits Will Not Help Enliven the Sluggish Market

Then wherein do the causes for the present sluggish market lie? They mainly are:

1. We took harsh contractive measures in the early days of economic improvement and rectification, reducing investment in fixed assets and restricting growth in consumption funds. In 1989, the investment in fixed assets nationwide totalled 400 billion yuan, a decrease of 50 billion yuan from the previous year, or a 20 percent decrease allowing for the inflation rate. This reduced demands for building materials and relevant means of production and means of consumption.

2. We screened and rectified various kinds of companies. It is an important measure for economic improvement and rectification. By late April 1990, more than 100,000 companies had been closed down or incorporated into other companies, accounting for one-third of the total. In this way, we cut down unnecessary intermediate links and reduced false demands for commodities.

3. We took effective measures to cut back government institutions' purchase of consumer goods, and resolutely pushed forward the drive to build a clean and honest government, causing a decrease in the sales of automobiles, Maotai liquor, and high-grade cigarettes.

4. People bought when prices rose and did not buy when prices dropped. This is psychology common to all consumers. After the buying spree in the July-August period 1988, some people had this psychology intensified. The panic-buying spree in 1988 not only made some purchasing power realize itself in advance, but also caused

many people to realize that buying goods that are not useful for the time being not only deprives money of its expediency, but is also likely to sustain losses in the value of the goods due to damage. As a result, when prices tend to stabilize, few people buy commodities which they do not need for the time being, and many people even postpone the purchase of goods which they need at present.

Some commodities, which are inferior in quality and expensive, are not marketable. Prices of some commodities were lifted too high in 1988 and have not been lowered since then.

To enliven the soft market, it is necessary to take suitable measures in light of the above causes. The measures mainly are: 1) While continuing to implement the deflation policy, it is necessary to moderately increase investment in fixed assets and increase circulating funds. 2) We should make a great effort to keep open the commodity circulation channel and promote sales, especially sales in the rural area. In the meantime, we should work hard to readjust the product mix, increase production of those items which are readily marketable and in short supply, and restrict production of those items which are not salable. 3) We should consider deregulating prices of high-grade commodities. If we open prices of these commodities to market regulation at present, we will be able to lower their prices, carrying out the pricing reform in part in the relevant course; increase sales of these commodities, augmenting related enterprises' current capital, which is in short supply at present; reduce interest expenses and relevant expenditures, cutting back production cost; bring back to life the market for other commodities; and boost industrial production.

If we do not implement the above measures, but rather try to reduce savings deposits in a bid to channel money deposited in the bank into the purchase of commodities, we will certainly not achieve the desired results. This is because if we succeed in channeling a part of savings deposits to the market, we will have to increase money supply given little change in the bank's capital sources and fund application. But when prices are still on the increase and currency value on the decrease, it is very dangerous for us to take increasing money supply as the principal means to enliven the sluggish market.

According to the above analysis, we should not relax our effort to encourage residents to deposit money in the bank because of the soft market. At present, inflation still persists to a certain extent, and the deflation policy is still in force, so we should step up our effort to improve our work and steadily boost savings deposit rather than the contrary.

Minister of Materials on Steel Products Supply

*HK2408093590 Beijing RENMIN RIBAO in Chinese
17 Aug 90 p 2*

["Dispatch" by staff reporter Liu Xieyang (0491 3610 7122) and ZHONGGUO WUZHI BAO (CHINA

MATERIALS NEWS) reporter Li Jun (2621 0193): "Liu Suinian, Minister of Materials, Stresses Importance of Steel Products Supply"]

[Text] Recently, Minister of Materials Liu Suinian told these reporters that supplying steel products for fixed quantities at selected places and establishing a relatively stable relation between supply and demand were important measures for eradicating the current confusion in the market for steel products and stabilizing the economy, which should be adhered to.

In the last few years, the use of mandatory planning in distribution of steel products has been gradually reduced, thus boosting transactions of such goods on the market. This move has played a certain role in smoothing out the circulation of steel products, which are important capital goods. However, there also emerged some problems in this regard. They were mainly that some enterprises failed to get a guaranteed steel products supply and their production was thus hampered; some enterprises had to "look everywhere for rice to cook" and they thus needed to set up unwieldy supply and marketing organs and a huge contingent of purchasing and marketing personnel, thus greatly increasing circulation fees. Moreover, this practice increased the number of intermediate links and put heavier pressure on communications and transportation. Some enterprises or individuals asked for discounts or bribes using power in their hands; and cases of getting no deliveries after payments had been made could be found now and then and enterprises' commercial credit was thus ruined.

To counter this situation, in 1988 the state began to practice the system under which steel products were supplied for fixed quantities at selected places. To put it another way, steelworks and users sign contracts according to the state's planned quotas on the basis of fixed places and quantities of steel products. This has helped achieve a relatively stable supply-demand relation.

Liu Suinian pointed out: The practice over the last two years has proved that supplying steel products for fixed quantities at selected places and maintaining a relatively stable relation between supply and demand are conducive to ensuring the smooth progress of social reproduction; conducive to cutting the number of circulation channels, saving circulation fees, and improving enterprises' and society's economic results; conducive to establishing a normal market order; and conducive to achieving a sustained, stable, and coordinated development of the entire national economy.

In the days ahead, to adhere to supplying steel products for fixed quantities at selected places, first of all, it is necessary to remove ideological barriers. Currently, some steelworks always hope to have more steel products, which they are entitled to sell through their own channels, and wait for the right prices to sell them so as to strive for their own interests. Some steelworks, worried that the steel products distribution system may

change, are taking a wait-and-see attitude toward placement of orders for steel products for fixed quantities at selected places. Out of their own interests, leaders of some local governments supported enterprises in receiving fewer orders for fixed quantities of steel products at selected places. These ideas which have hindered the supplying of steel products for fixed quantities at selected places for quite some time in the past should be corrected. Second, it is necessary to act in strict accordance to the state's policies and earnestly implement the state's mandatory plans. In the days to come, a considerable amount of steel products turned out by steelworks should be handed over to the state for distribution. No one shall complain and refuse to implement this. Third, the Ministry of Materials, the Ministry of Metallurgical Industry, and other departments are now studying and working out some necessary encouragement policies and restriction measures to push the work forward smoothly.

Rural Investment Bank Registers Increased Savings

HK2408021690 Beijing CHINA DAILY in English
24 Aug 90 p 2

[By staff reporter Wu Yunhe]

[Text] The Agricultural Bank of China, the country's only bank for rural investment, has seen its individual savings deposits increase by 54.6 billion yuan (\$11.57 billion) so far this year.

The bumper harvest of crops and the fast-growing income of farmers have triggered off an upsurge in rural saving this year, according to Wang Qingshan, an official with the Funds Mobilizing Department of the bank.

The savings deposits of the bank will continue to rise, he predicted.

Savings deposits climbed to 280.2 billion yuan (\$59.36 billion) by the end of last month, an increase of 25.77 billion yuan (\$5.46 billion) over the same period last year.

The country's central bank, the People's Bank of China, this month lowered interest rates on 12-month personal deposits to 8.34 per cent from the original return of 10.08 per cent.

But, there was no sign that farmers, accounting for more than 80 per cent of the country's population, were intending to draw their money from the agricultural bank, as the interest payable on savings deposits decreased.

Time deposits, which have a fixed-term of more than a year, make up at least 94 per cent of the bank's individual savings deposits, thus ensuring the bank has enough financial strength to back the country's agricultural production.

And the demand deposits of the bank only accounted for 5.8 per cent this year, the official added.

As the barometer of the bank's financial strength, individual savings deposits are reporting a optimistic trend, the official said.

Several favourable factors are leading to the growth of the bank's savings deposits; the government's dwelling reform to encourage rural people to build or buy houses is spurring farmers to bank more money in order to afford such things, the official said.

Money is also being put aside for scientific farming methods and children's education.

This year's bumper grain harvest is also a major factor in savings deposits increase early this year, the former Minister of Agriculture He Kang said this year's grain output was expected to top last year's 407 million tons, the highest in China's history.

As his expectation is beginning to turn to reality, farmers' income has distinctly increased as they sell more agricultural products to the state.

The bank has more than 100,000 business depots handling savings deposits across the countryside, the official said.

And more than 50 per cent of them belong to rural credit cooperatives, which are under the jurisdiction of the bank.

The rural credit co-operatives are semi-official financial institutions based in rural areas and specialize in savings deposits for farmers and lending for the development of the rural economy.

Developing Agriculture Receives Top Priority

OW2408074190 Beijing XINHUA in English
0553 GMT 24 Aug 90

[Text] Beijing, August 24 (XINHUA)—China's efforts to boost its agriculture have paid off. After four years of stagnation in grain production, the country reaped a record grain harvest last year, and an official estimate placed this year's summer grain harvest at 99.35 million tons, six percent over last year.

China is giving top priority to agriculture for the obvious reason that its population of 1.1 billion is growing at a rate of 15 million a year. Furthermore, more grain is needed as livestock feed and raw material for the expanding food industry.

The Chinese Government is concerned not just with achieving short-term good harvests. It is determined to lay the groundwork for upgrading agriculture in the next decade and beyond as part of its modernization drive.

A series of measures are being taken to ensure continued growth in the future. This year, the central government has increased its capital outlay for the agricultural sector by one billion yuan (210 million U.S. dollars), or 30

percent more than that of last year. The funds are being used for building projects for water control and farmland improvement.

Following a hike of 18 percent in purchasing prices for grain last year, the government this year will buy cash crops—cotton, edible oil seed and sugar crops—at prices more than 20 percent higher than last year's.

Grain and cotton acreage has been extended this year. The area sown to early and middle-season rice alone has been enlarged by 120,000 hectares.

Since 1983, 171 counties have been built into commercial grain production bases, and another 82 such bases are being built, bringing the total to 253. Vice-Minister of Agriculture Chen Yaobang said that these counties are expected to supply nearly 40 percent of the commercial grain to be purchased by the government this year.

The government has designated 19 regions with immense farming potential for comprehensive development.

A fundamental transformation of China's agriculture depends on science and technology, according to Vice-Minister of Agriculture Wang Liangzheng.

East Region

Yangtze Delta Attracts Foreign Enterprises

OW2408103090 Beijing XINHUA in English
0943 GMT 24 Aug 90

[Text] Nanjing, August 24 (XINHUA)—The Yangtze delta in southeast China's Jiangsu Province is attracting increasing numbers of foreign business people.

After the first foreign funded enterprise in Jiangsu Province—Jianghai Wood Industry Co., Ltd.—was set up in 1981, 845 others followed. Four delta cities—Suzhou, Wuxi, Changzhou and Nantong—have attracted 568 of them.

The Yangtze delta, one of the country's most economically advanced areas, has a good labor force and transportation facilities.

By the end of June this year, 42 foreign funded enterprises were operating in Changzhou. In the city 20 of the 38 enterprises which began production last year earned profits of 26.03 million yuan in 1989.

In Nantong, 49 foreign funded enterprises began operation in 1989. The city's seven Sino-Japanese joint ventures all made profits last year, and the first half of this year their net profits totaled more than 11 million yuan, twice as much as last year.

The Capsule Co., Ltd. of Suzhou, funded by Chinese and American partners, has found export markets for its products in nine countries and regions.

Most of foreign investors are optimistic about the future of their enterprises in the four cities in the delta. Some are applying to extend the time period of their joint operation.

Jiangsu's People's Congress on Economic Work

OW2308194490 Nanjing XINHUA RIBAO in Chinese
16 Aug 90 p 1

[Text] The 16th Session of the Seventh Jiangsu Provincial People's Congress Standing Committee deliberated and discussed reports on the province's national economy, social development plan, and the situation on implementation of the financial budget in the first half of the year in separate groups yesterday.

The committee members fully affirmed the efforts of the provincial government in earnestly implementing the CPC Central Committee's principle of further pushing forward the policy of improving the economy, rectifying the economic order, and deepening reforms since the beginning of the year; they affirmed the provincial government's meeting the requirements of the provincial CPC committee of "first seeking stability, second going all out in various work, and third development." They also approved a large amount of work done by the provincial government in striving to implement the province's national economy, social development plan,

and budget as approved by the Third Session of the Seventh Provincial People's Congress. Committee members maintained that the province's economy is recovering steadily. However, some structural contradictions and problems in economic work have yet to be solved. They held that the economic situation as a whole remains severe; therefore, hard struggle is still needed to realize the fundamental recovery of financial and economic situations. Macro and comprehensive measures are needed to tackle outstanding problems such as a sluggish market, lack of investment funds, declining economic efficiency, and maladjusted structure in the present economic work. These problems are to be solved one by one in order to achieve targets set in the beginning of the year. The committee members conscientiously analyzed the situation of economic development in our province during the first half of the year and made numerous positive suggestions for economic work in the second half of the year.

Committee members Yu Lanfang and Cheng Yi said: Agricultural production of our province in the first half of the year is partly gratifying and partly worrisome. The gratifying part is the summer grain and oil-bearing crop production. Through the "blessings of mother nature and the hard work of men," we reaped bumper harvests in grain and oil-bearing crops. The worrisome part is that certain areas are blindly optimistic about agricultural production; there have been reductions in investment in the agricultural sector; and the peasants' income has generally declined. This situation is highly unfavorable to the consolidation of agriculture, which is the foundation of the national economy. Leadership at all levels should pay full attention to this issue. We must not overestimate the agricultural situation and thus affect the momentum of agricultural production. Committee member Wang Maoqian and Vice Chairman of Yangzhou City's People's Congress Standing Committee Zhu Xemin said: Agricultural production of our province is, to a large degree, subject to the influence of natural conditions. Despite a bumper harvest in the first half of the year, the second half of the year remains unpredictable. We must therefore pay attention to disaster prevention work and strive to reap a bumper autumn harvest; we should not leave anything to chance or become complacent.

Committee members Kang Ke and Shui Xinyuan maintained that upgrading product quality and properly adjusting product mix are the keys to improving industrial production. At present, many new products fail to gain acceptance and old products do not meet market requirements, thus resulting in severe stock accumulation; this has further highlighted the contradictions of irrational product mix. A recessionary market has also led to a decline in economic efficiency in the industrial sector. We must therefore resolve to first do a good job in adjusting product mix, and bring our province's advantages in qualified personnel and in technical and resource advantages into full play to improve our industrial production. Committee member Wu Hongri said

that one of the main reasons for the sluggish market is the disruption of the unity of commodity market and the failure to bring into play the guidance role of enterprises. Some areas are currently creating closed markets and interfering with enterprises' production through administrative means. This inevitably will lead to dislocation between enterprise production and circulation. As such, we should give priority to the task of revitalizing large and medium-sized enterprises.

The chairman of Yancheng City's People's Congress Standing Committee, Sha Jinmao, said that in certain areas the problem of "mental sluggishness" is more serious than the sluggish market. Four characters may characterize the mood of some of the comrades. The first character is "slow"; they think that the current speed of industrial production is too slow so it is better to opt for an artificially high speed of development. The second character is "difficulty"; they think that adjustment of product mix is faced with insurmountable difficulties. The third character is "short-term"; they aim for short-term business and do not treasure funds and facilities. The fourth character is "complaint"; in difficult times they complain about bad times and everyone except themselves. We should pay attention to this phenomena. Committee member Wang Xialin said that certain areas are now fighting for more projects, opening up new businesses, playing down output value, and pursuing development indiscriminately. In the midst of economic recovery, we must act with caution and not pursue high-speed development again to avoid repeating errors of the past. Committee members Hai Xiao and Zhou Fuli said that we must emphasize the use of economic efficiency to measure the extent of economic development instead of using output value as a yardstick. If not, single-minded pursuit of output value by some comrades will result in unsalable products, tying up of funds, and a huge waste of raw materials.

The committee members agreed with the provincial government's analysis of the situation of financial revenues and expenditures of the first half of the year and with the measures for financial work for the second half of the year. They hoped for further improvement in funds management, earnest launching of the "double increases and double savings" activities, and employment of utmost efforts to increase efficiency of fund application. They also hoped that enterprises would turn losses into profits and improve efficiency. They hoped to mobilize all available resources and to strive to fulfill the tasks of this year's budget.

Jiangsu Inspection Meeting Discusses Situation

*OW2308192890 Nanjing XINHUA RIBAO in Chinese
15 Aug 90 p 1*

[Text] Recently, the provincial Discipline Inspection Committee held a meeting attended by discipline inspection secretaries of all cities in the province, in which the guiding principle of the Central Commission for Discipline Inspection was conveyed and studied, the working

experience of the first half year summed up and exchanged, the situation of the present construction of party work style and clean government analyzed, and the planning for the tasks of the next six months discussed.

The meeting held that discipline inspection organs at all levels and the great masses of discipline inspection cadres in the province have played an important role in the construction of party work style and clean government by relying on the guidance and support of the party committee, revolving around the pivot of the guiding principle of the Sixth Session of the CPC Central Committee, maintaining and stabilizing the general situation, doing a good job in improving the economic environment, rectifying the economic order, and deepening the reform, promoting close ties between the party and the people, and comprehensively implementing the four functions of discipline inspection work. In the first half of this year, discipline inspection organs in the province have registered and dealt with a total of 5,144 cases of discipline violation by party members, 1,726 of which are involved in economic affairs, an increase of 85.3 percent and 103.5 percent, respectively, over the same period last year. A total of 3,398 party members have been punished, including 510 persons whose party memberships have been stripped. Among those who have been punished, one is a cadre at the provincial level, two are cadres at department and bureau levels, and 47 are cadres at the county level.

Cao Keming, member of the Standing Committee of the provincial party committee and secretary of provincial Discipline Inspection Committee, said at the meeting: In the present favorable situation, in which the party as a whole is paying attention to improving party work style, it is necessary for us to maintain clear thinking, continue to invigorate our spirit, conscientiously implement the order by identifying those who violate the regulations, and win the trust of the people by showing them our achievements. Concrete efforts must be made to carry out the following five categories of work: First, we must implement the decision made by the Sixth Session of the CPC Central Committee in the districts and departments under our jurisdiction, especially in the inspection and supervision of the implementation of improving party work style and clean government. Second, we must continue to perform real service and solve the "hot" problems that the people are concerned about. Special attention should be paid to examining and dealing with problems such as building private houses and unused government buildings by party and government cadres in violation of laws and disciplines and to inspecting, supervising, and correcting the unfair practices in trade and enterprises. Meanwhile, we must do a good job in screening and rectifying companies from start to finish. We must deal with unfair practices in personnel work in our organs. Third, we must pay close attention to handling big and important cases. Special attention should be paid to dealing with big and important cases, such as violating political discipline, corruption and bribery, extortion and racketeering, violating the law while

enforcing it, bending the law for the benefit of relatives and friends, and seeking personal profit by abusing one's power, as well as bureaucratism and dereliction of one's duty, especially in cases involving party members and leading cadres above county levels. We must investigate and affix responsibility for those party organs and members who hinder the investigation and punish them severely in accordance with regulations. Fourth, under the unified guidance and planning of the party committee and with close cooperation with such organs as party organization and propaganda departments, as well as party schools, we must conduct education on party work style and disciplines, especially universal education on basic knowledge of party disciplines. Fifth, it is necessary to strengthen the construction of the discipline inspection contingent, promote political and work quality, improve work style, do a good job in investigation and research, and raise the level of discipline inspection work. We must conscientiously strengthen the discipline inspection construction of organs, departments, and townships, as well as enterprises directly under province, city, and county in a bid to meet the need of the heavy tasks of party work style construction.

Jiangsu Expands Foreign Economic Cooperation

OW2308192290 Nanjing XINHUA RIBAO in Chinese
2 Aug 90 p 1

[By Song Yijun (1345 5030 6511) and Shen Jialun (3088 1367 0243)]

[Text] Economic and technological cooperation and exchanges between the province and foreign countries have been expanding constantly this year. In the first half of this year, 179 foreign-funded projects were approved, with \$124 million in foreign capital. These projects included 127 foreign-invested enterprises, whose foreign capital totaled \$74.22 million. Service contracts signed with foreign countries amounted to \$37.82 million, an increase of 81.7 percent over the same period of last year. Moreover, four enterprises were allowed to make investment overseas.

This year, all localities in the province have concentrated their efforts on the "three foreign" [san wai, 0005 1120] policy (foreign trade, foreign capital, and foreign economy). They have taken steps to ensure that existing foreign-invested enterprises are operating well and have been actively finding new ways to utilize foreign funds. Many cities and counties have held promotion meetings of various forms to promote themselves to prospective foreign investors. They have also taken measures to improve their investment environment to attract more foreign investment. In Nanjing City, the number of foreign-invested enterprises has topped 100. Changzhou City has surveyed 33 enterprises in operation and drawn up 10 measures to improve the implementation of some preferential policies. Suzhou City and Nantong City have conscientiously assisted foreign-invested enterprises to expand their exports. The two cities earned \$35.38 million and \$14.99 million in foreign exchange in

the first half of the year, respectively, ranking tops in the province. Zhenjiang City has recently set up a foreign investment working commission. As a "one-window, one-seal" stop, the working commission is tasked to handle project applications by foreign-invested enterprises and their related construction and production problems. The provincial Foreign Economic Relations and Trade Commission has organized a survey of 302 foreign-invested enterprises in operation and is working out relevant policies to expedite a healthy development of foreign-invested enterprises in the province.

This year, new developments can be seen in the province's labor contracts with foreign countries. First, its labor market has shifted from the Middle East to the Asia-Pacific region. The province has signed 18 labor contracts with countries in the Asia-Pacific region with a total amount of \$7.278 million, an increase of 120 percent compared with the same period last year. Second, the province has tried to expand its labor exports by exploring various levels, channels, and forms. Nantong City, Nanjing City, the provincial Bureau of Aquatic Industry, the Jiangsu Branch of the China State Construction Engineering Corporation, and other localities and departments with appropriate conditions have applied various cooperative forms to solicit labor contracts with foreign countries. The business volume generated by them has accounted for more than a half of the province's total. Third, progress has been made in the province's labor exports to the Soviet Union. In the second quarter of this year alone, the province has undertaken seven construction and building materials projects in the Soviet Union and has sent 563 workers there.

Zhejiang Increases Investment in Infrastructure

OW2308223490 Beijing XINHUA in English
1429 GMT 23 Aug 90

[Text] Hangzhou, August 23 (XINHUA)—East China's Zhejiang Province has invested 8.4 billion yuan (about 1.78 billion U.S. dollars) in infrastructure facilities, accounting for one-third of the investment in fixed assets since 1979, according to the provincial authorities.

This has improved the investment environment remarkably.

The province now has 1,093 km of railways in operation. In addition, the second Qiantang River bridge and the Xuancheng-Hangzhou railway are under construction.

There are 75 main highways linking 85 percent of the towns and townships in the province. Construction of the 150 km expressway to connect Hangzhou and Ningbo will start in 1992.

The province has also started renovation of the Changxing-Huzhou-Shanghai waterway, whose transportation capacity will increase from 24 million tons to 40 million tons over the next five years.

Zhejiang has 54 harbors with 480 berths. Among them, 14 berths can accommodate 10,000-100,000 dwt vessels. At present, Ningbo, Wenzhou, Zhoushan and Haimen Ports are open to foreign vessels. Over the next five years Ningbo, Wenzhou and Zhoushan Ports will build 12 more deepwater berths.

Meanwhile, three airports at Hangzhou, Ningbo and Wenzhou, respectively, can accommodate jumbo jets. There are 19 air routes linking the province with other parts of China now.

The power supply capacity in Zhejiang has reached 20 billion kwh a year. In recent years, the province has expanded five power plants. The Beilung thermal power plant with a capacity of 1.8 million kw, the biggest in east China, and China's first nuclear power plant are now under construction.

As for telecommunications, Hangzhou, Ningbo and 10 other cities and counties have installed [word indistinct] controlled switchboards with international direct dialing.

The provincial authorities and [words indistinct] (?have) also adopted measures to cut red tape, enhance efficiency and improve services for overseas investors.

Shen Zulun Attends Commendation Meeting

OW2306. 24890 Hangzhou ZHEJIANG RIBAO
in Chinese 12 Aug 90 p 1

[Excerpts] The Zhejiang Provincial Government held a meeting yesterday to commend 15 units that made meritorious contribution to Hangzhou's Jianqiao Airport renovation project.

Giving away awards at the meeting were provincial party and government leaders Shen Zulun, Liu Feng, Xu Xingguan, Wu Rennyuan, Wang Zhonglu, and Chai Songyue; Han Decai, deputy commander of the Nanjing Military Region Air Force; Gao Shichang, director of East China Civil Aviation Administration; and others.

On behalf of the provincial party committee and the provincial government, Governor Shen Zulun extended regards and respect to all cadres, workers, and relevant units that took part in airport renovation work. He also thanked the people of all circles, particularly the Nanjing Military Region Air Force and the East China Civil Aviation Administration, for their concern and support.

In his speech at the commendation meeting, Vice Governor Chai Songyue said that the completion of Jianqiao Airport renovation work ahead of schedule and its early reopening have provided us with much inspiration and valuable experience that would be of use to our future capital construction projects, the key projects in particular. [passage omitted]

In their speeches, Deputy Commander Han Decai and Director Gao Shichang also thanked all relevant units and departments for their participation and support in the project.

A provincial government notice commending the relevant units that took part in the renovation project was read at the meeting.

The Nanjing Military Region Air Force and the East China Civil Aviation Administration jointly presented a banner and frame to the provincial government at the meeting.

Central-South Region

Guangdong Export Trade Shows Rapid Growth

HK2308141690 Guangzhou Guangdong Provincial
Service in Mandarin 0400 GMT 23 Aug 90

[Text] This year has seen a rapid growth in Guangdong's export trade. In the first seven months, export trade maintained a sustained growth. Total export volume reached \$5.66 billion, representing a 43.8 percent increase over the corresponding period of last year.

This year, people's governments and foreign trade enterprises at all levels have further strengthened their sense of foreign trade, fully developed local advantages, and actively participated in international competition.

At the Guangdong Provincial Conference on Foreign Trade Work, which was held on 22 August, Vice Governor Yu Fei demanded that all the comrades engaged in Guangdong's foreign trade work continue to strengthen confidence, strive to push ahead with Guangdong's foreign trade development, continue to rectify Guangdong's foreign trade order, screen and rectify various foreign trade companies, and create better conditions for Guangdong's foreign trade development.

Shantou Attracts Foreign Investment

OW2308141390 Beijing XINHUA in English
1007 GMT 23 Aug 90

[Text] Guangzhou, August 23 (XINHUA)—Guangdong Province's Shantou Special Economic Zone increased investment in fixed assets in the first half of the year.

Between January and June, the zone invested more than 144 million yuan in fixed assets. This year 50 percent of the funds came from overseas sources as opposed to only 10 percent in the same period last year.

Over the past eight years, Shantou invested a total of 1.7 billion yuan in infrastructure. Projects included a 50-kilometer highway, a 5,000-dwt special berth, and water supply and telephone systems, as well as office, production and service facilities.

The zone now has 74 foreign-funded enterprises in operation. Investors have come from 24 countries and regions including Taiwan, Japan, Hong Kong, the United States and Sweden.

Hunan Holds Conference on Party School Work

HK2208070990 Changsha Hunan Provincial Service in Mandarin 2200 GMT 21 Aug 90

[Text] The Hunan provincial conference on party school work began in Changsha on 20 August. Xia Zhanzhong, member of the provincial CPC Committee Standing Committee and director of the Propaganda Department, presided over the meeting.

Sun Wensheng, deputy secretary of the provincial CPC Committee; Zhao Peidi, director of the provincial CPC Committee Organization Department; and Yin Sheng, president of the provincial party school, attended the meeting.

On behalf of the provincial CPC Committee, Comrade Sun Wensheng delivered an important speech. He put forward the following four demands aimed at successfully running party schools at all levels in Hunan:

1. To attach great importance to party school work. Sun said the CPC committees must regard the party school as one of their important departments, actively support party school work, and put forward strict demands on party school work;
2. To put forward clear-cut teaching tasks for party schools at all levels, establish a scientific teaching system, continue to persist in the system under which leading cadres at and above the county level go to party schools to receive training at regular intervals with a view to enabling them to receive training in party schools at all levels during their tenure of office and leading cadres at the section level in various provincial and prefectural departments to receive training in the Central Party School, the provincial party school, or the prefectural party schools every five years;
3. Party schools must adhere to a correct teaching principle, carry out education on party spirit, on building socialism with salient Chinese characteristics, and on the basic tenets of Marxism in light of the realities in Hunan, constantly study new developments and new questions, sum up fresh experiences, carry out ideological education among the broad masses of cadres, and transform cadres' world outlook;
4. To strengthen organization building, strengthen academic ties, provide guidance to party school work, and give full play to the important role played by party schools at all levels in Hunan.

Southwest Region

State Security Minister Inspects Lhasa

OW2408100890 Lhasa Tibet Television Network in Mandarin 1200 GMT 23 GMT 90

[From the "Tibet News" program]

[Text] [Video begins with a close-up shot showing State Security Minister Jia Chunwang and his party being greeted by local officials after their arrival at Lhasa airport] Led by State Security Minister Jia Chunwang, a four-man delegation arrived in Lhasa on 6 August to inspect state security work in our region. After completing its inspection work, the delegation left Lhasa by plane on 22 August.

After arriving in Lhasa, Minister Jia, ignoring fatigue from the long journey and reaction to high altitude, began intense inspection work immediately. Over a period of a few days, he listened to a work report by the regional state security department, attended a meeting of the security department to present honorary citations and certificates to the advanced, braved the rain to inspect work sites where state security projects are under construction, called on some cadres who had been hospitalized for treatment of illnesses and cadres who had been transferred to work in Tibet, and conveyed the cordial regards of the leadership of the Ministry of State Security for them. [video shows Jia Chunwang and party visiting rural areas and attending a local meeting]

Beginning 8 August, Minister Jia Chunwang visited Lhasa City, Xigaze Prefecture, and Nagu Prefecture, traveling more than 3,000 km by car. He inspected grass-roots state security organs, border stations, and farming and pastoral areas to study the conditions there and to help grass-roots state security organs resolve practical difficulties.

During his spection tour, Minister Jia issued many important instructions on state security work in our region. [video shows Jia Chunwang making a speech in a meeting room]

He said: In Tibet, the political situation is stable; there are unity and harmony among the nationalities; the people are living and working in peace and happiness; and they want stability, development, and prosperity. The situation is gratifying. However, it is necessary to note that the conspiratorial activities of foreign hostile forces and national splittists to infiltrate and sabotage China and effect peaceful evolution in China are still very grave. They have vainly attempted to find a breakthrough in Tibet. We should be mentally prepared for a long struggle against this. Minister Jia fully affirmed the work of state security organs in our region.

Referring to future work, Minister Jia pointed out: State security organs in Tibet shoulder the heavy responsibility of opposing splittism, safeguarding the unification of the motherland, and protecting the security of the

state. In accordance with the party Central Committee's principle that stability is above all else and the guiding thought put forward at the fourth party congress of the autonomous region, they should earnestly implement the important directives issued by General Secretary Jiang Zemin during his inspection tour of Tibet, focus on stabilizing the situation in Tibet and its economic development, and give priority to the work of stabilizing the situation. This is the priority task for state security organs in Tibet.

During his inspection tour in our region, the principal leading comrades of the regional party committee and people's government called on him many times to exchange views. [video shows a close-up shot of Jia Chunwang talking to Tibet party Secretary Hu Jintao in a meeting room]

Asian Games Torch Relay in Tibet Begins

OW2408074090 Beijing XINHUA in English
0645 GMT 24 Aug 90

[Text] Lhasa, August 24 (XINHUA)—The 11th Asian Games torch relay activities in southwest China began in Lhasa, Tibet, on Friday [24 August].

The torch, ignited by Jiang Zemin, Chinese Communist Party general secretary in central Beijing's Tiananmen Square on August 22, was reignited in the Worker's Palace here on Friday.

The ceremony was attended by some 6,000 people. The torch was passed through 13 stops in Lhasa before [going] back to the Worker's Palace.

The torch will be air-lifted to Chengdu, capital city of Sichuan Province. Then the torch will travel through Yunnan, Guizhou, Guangxi, Hunan, Hubei, Henan and Hebei before returning to Beijing on September 20.

Yunnan Develops Hydropower Capacity

OW2308223590 Beijing XINHUA in English
1423 GMT 23 Aug 90

[Text] Kunming, August 23 (XINHUA)—Southwest China's Yunnan Province had built hydropower stations with an accumulated generating capacity of 2.02 million kw by the end of 1989, some 139 times the power in 1949, according to the provincial authorities.

The local government reported that the past decade has seen the installation of hydropower facilities totalling 960,000 kw in Yunnan, which leads the whole country in terms of hydropower resources.

The nearly 10,000 hydropower stations have made electricity available to 92 percent of townships and 65 percent of villages.

The power industry has greatly promoted the development of Yunnan's economy. In 1989 the industrial output value of the province had reached 27.7 billion yuan, 27 times that in 1949.

North Region

Xing Chongzhi Inspects Pingshan County

SK2208134590 Shijiazhuang HEBEI RIBAO
in Chinese 23 Jul 90 p 1

[Text] On 21 July, Xing Chongzhi, who just finished attending the fourth provincial party congress, went to Yuanfang Village in Pingshan County to conduct investigations and study in the company of Wang Manqiu, secretary of the Shijiazhuang prefectural party committee, and responsible comrades of Pingshan County. He went up to the Yinhe project area in the eastern part of the village to look at the mountains and trees and to have a bird's-eye view of the high-standard terraced fields. He said cheerfully: "Any village that works like Yuanfang will make a great change in its barren hills in three to five years."

Han Ertu, secretary of the party branch of Yuanfang Village, said that one of this village's important experiences in improving mountains and harnessing rivers was that they had implemented the dual management system whereby unified management is combined with separate management and the labor accumulation work system of allowing one to become a shareholder by making him participate in labor and sharing dividends according to the number of shares one has. Xing Chongzhi said: This is a good way. The mountainous areas should follow this way in order to change the backward outlook. In the past, we suffered greatly from overly rigid control, and, during the last few years, we also suffered from excessive decentralization. Practice proved that it is not realistic to exercise overly rigid control or excessive decentralization. Refusing to have anything more to do with it is even more unrealistic. We should mobilize the enthusiasm of peasants and display the superiority of the collective, and should implement either unified or separate management according to the needs.

Xing Chongzhi said: In the course of improving mountains or harnessing rivers, it is necessary to display the role of the party branches as a fighting bastion and the vanguard and exemplary role of party members, do more substantial things for the masses, render better service, improve the quality of the ranks of party members and cadres in the course of practice, maintain a close relationship between the party and the masses and between cadres and the masses, intensify the party's cohesion and appeal, and foster a great party image among the masses. Through transforming barren hills, the material and spiritual life of the people in Yuanfang Village has been enriched and the morale of villagers has improved. A socialist human relationship of a new type has been established there. Just as you have mentioned that no one knows who has done so many good things. This should be the real mental outlook of a socialist peasant. To learn from Yuanfang village, we should learn not only from its methods and experiences in improving barren hills. More importantly, we should learn from the spirit of the party members and cadres in Yuanfang Village

who served the people wholeheartedly, led the people to live plainly and engage in arduous struggle, and found a way suitable for their own development in line with local conditions.

Xing Chongzhi said to county and township cadres: Pingshan County is an old revolutionary base and a place where some revolutionaries of the older generation like Mao Zedong once lived. During the war period, the people of Pingshan County contributed greatly to the Chinese revolution. It is of great significance to promote the experiences of Pingshan County and let the masses shake off poverty and become prosperous. You should have a sense of urgency. County leaders should take responsibility for townships, township leaders should take responsibility for villages, county-level units should support agriculture, and all levels should implement the responsibility system and lead the masses to work hard for several years and to build Pingshan into another Yuanfang of Hebei as soon as possible.

Hebei Province's Semiannual Statistics

SK2308095490 Shijiazhuang HEBEI RIBAO
in Chinese 23 Jul 90 P 1

[Text] It was learned from a news conference on this year's semiannual statistics held on 21 July that our province has achieved a portion of the expected results in the improvement and rectification work, which were manifested as follows: The control of the overall supply and demand was basically implemented; initial results were made in adopting measures for "micro regulation"; the national economy came out from the "downward trend" and began to climb up slowly, and improvement and rectification forged ahead toward the expected goal.

In industrial production, we ended the trend of losses and saw a monthly increase in its growth rate. After March, industrial production improved every month. In June, industrial production increased 4.4 percent over the same period of last year. In the first half of this year, the total industrial output value of enterprises at and above the township level throughout the province amounted to 25.328 billion yuan. If calculated in terms of comparable standards, the increase was 1.9 percent over the same period of last year. The main characteristics were: The increase of state industrial enterprises was greater than the collective industrial enterprises, and the rate of increase in heavy industry was quicker than that of the light industry.

The agricultural situation improved. This year, the total output of summer grain reached 9.25 million tons or more, an increase of more than 700,000 tons over the same period of last year, an all-time record. The production of meat, vegetables, and nonstaple foods steadily increased. In the first half of this year, the output of pork, beef, and mutton totalled 587,200 tons, an increase of 2.75 percent over the same period of last year. By the end of June, the number of hogs in stock reached 13.38 million, up 0.6 percent. The cotton production situation was better than the previous year.

The prices were stable, and the amount of money withdrawn from circulation increased. Since the beginning of this year, the market retail prices have shown no signs of increase. The total retail price index (calculated by assuming the retail price index of the same period of last year as 100), was 98.9 percent on average during the January-June period, which was much lower than that of the same period of the previous year. This was the lowest figure of increase of the same period of the previous years since 1985 and this undesirable period was the longest ever. During the January-June period, banks withdrew 2.701 billion yuan from circulation, an increase of 2.779 billion yuan over the same period of the previous year.

The production of basic industrial products steadily increased. In the first half of this year, the output of most energy and raw materials products increased at varying degrees, of which the output of raw coal increased 0.7 percent; crude oil, 2.6 percent; power generation, 1.9 percent; steel products, 9.8 percent; and caustic soda, 600 percent.

The investment in fixed assets showed both an increase and decrease in various aspects, and the investment structure was slightly readjusted. In the first half of this year, the investment in capital construction and equipment replacement and technical updating of state enterprises throughout the province totalled 2.499 billion yuan, a decline of 3 percent from the same period of the previous year. Of this, investment in capital construction was 1.58 billion yuan, an increase of 6.5 percent, and investment in equipment replacement and technical updating was 920 million yuan, a decrease of 15.8 percent. A new trend was seen in the investment structure: The proportion of investment in basic industries and productive projects increased.

The trend of increases in foreign export trade was maintained and the situation in international tourism improved. During the January-June period, the entire province's purchase of commodities for foreign export trade was valued at 2.715 billion yuan, an increase of 21.4 percent over the same period of last year. The total value of exports was \$750 million, up 0.6 percent, of which the export of sundry goods reached \$580 million, up 0.1 percent. The international tourist industry, which was sluggish last year, began to improve this year.

The income of residents improved. In the first half of the year, the average per-capita income for living expenses of residents in cities and towns throughout the province was 665.85 yuan, an increase of 59.04 yuan, or 9.7 percent, over the same period of last year. The average per-capita cash income of peasants was 239.7 yuan, a decline of 11.6 per thousand—the decline was narrowed. The total wages of workers increased 11.3 percent, of which bonuses and wages for above-quota piece work totalled 960 million yuan, an increase of 1.7 percent, and all sorts of allowances totalled 130 million yuan, an increase of 7.2 percent.

At present, because of the existence of some in-depth contradictions, the rate of implementation of the readjustment measures is poor. There are still many difficulties lying ahead, which require our efforts to adopt positive measures to overcome them in order to facilitate the smooth progress of improvement, rectification, and deepening of reform, and to promote a stable and coordinated economic development.

Progress in Building State Projects Noted

SK2408071290 Hohhot NEIMENGGU RIBAO
in Chinese 27 Jul 90 p 1

[Summary] Inner Mongolia Autonomous Region has made marked progress in building the projects covered by the state plans.

The first-phase project of the Jungar mining area is under construction. This project includes the Heidaigou modernized open-cut mine with an annual output of 12 million tons, the coal dressing plant and a 200,000-kw power plant beside the open-cut mine, and the 215.675-km electrified railway between Fengzhen and Jungar, with a total investment of 4.142 billion yuan.

Since 1984, the autonomous region has begun to build the second-phase project of expanding the Huolinhe mining area. The total investment in the second-phase project is 743 million yuan. After building the project, the Huolinhe collieries may increase their output from 3 million tons to 10 million tons. The project is expected to be completed in 1992.

The 1989 annual coal output of Zhalaier mining area reached 4.2 million tons. In 1984, the region began to expand, with an investment of 128 million yuan, the Lingquan No. 3 inclined shaft. After the expansion, its annual output will increase from 450,000 tons to 1.8 million tons. The project is expected to be put into production in 1991. In 1983, the region began to build, with an investment of 225 million yuan, the Tiebei inclined pit of Lingquan colliery, whose annual output is expected to be 1.5 million tons and which will be finished in 1991.

The annual output of Dongsheng coal fields, which are under the first-phase construction of the project, is designed to be 15 million tons. Collieries with an annual output of 5 million tons are under construction. Of these collieries, the Majiata open-cut pit was put into production in January this year. Along with this project, the Bao-Shen railway has been completely built and the 303-km Bao-Fu highway has been basically built.

In 1987, the region began to build, with an investment of 116 million yuan, the Huangbaici inclined coal pit under the Wuda Mining Bureau, whose annual output will be 1.2 million tons. The project is expected to be put into trial production on 1 November this year and into formal production on 30 November this year.

The annual output of the Yiminhe coal fields is designed to be 10 million tons. By the end of October 1984, coal fields with an annual output of 1 million tons were completely built. On 4 June this year, the State Council also approved the joint project of building both collieries and power plants in the Yimin mining area. The first-phase construction of the project includes colliers with an annual output of 5 million tons, a power plant with two 500,000-kw generator sets, and a more than 500-km-long and 500,000-volt transmission line. The investment in the first-phase construction is 2.95 billion yuan and the region will begin to build the joint project in 1991. The first 500,000-kw generator set is expected to be put into operation in 1995. The second-phase construction of the project will enable the annual coal output of this mining area to reach 10 million tons and enable the power plant to have four 500,000-kw generator sets.

In 1984, the region began to expand the Pinggou inclined pit in the Haibowan mining area. After the expansion, its annual output will be 1.2 million tons. The project will be completed in 1991 and put into production on 30 October 1991.

On 1 July 1986, the region began to build, with an investment of 599 million yuan, the Fengzhen power plant of two 200,000-kw generator sets. The first generator set was put into operation in December 1989 and the second one is expected to be put into operation on 15 November this year.

In the first phase of the project, the region put the two 200,000-kw generator sets of the Tongliao power plant into operation separately in August and December 1985. In the second phase, the region began in 1986 to build, with an investment of 413 million yuan, two other 200,000-kw generator sets in the power plant. The third one was put into operation in December 1989, and the fourth one will be put into production in 1991. When the time comes, the Tongliao power plant's installed capacity will reach 800,000 kw.

Airport Terminal Built in Tianjin for Games

OW2408080990 Beijing XINHUA in English
0749 GMT 24 Aug 90

[Text] Beijing, August 23 (XINHUA)—A new Tianjin Airport terminal will go into operation on September 1.

The terminal, built to handle increased traffic during the Asian Games, was completed in only 15 months, 40 days ahead of schedule.

The 20,000-square-meter terminal can handle 1,000 passengers an hour during peak periods.

Northeast Region

Sun Weiben at People's Congress Discussion

SK2408065790 Harbin Heilongjiang Provincial Service
in Mandarin 2100 GMT 23 Aug 90

[Summary] "The 16th meeting of the Heilongjiang Provincial People's Congress Standing Committee held its plenary session on the afternoon of 23 August" to discuss and approve the report on the measures of correcting unhealthy trends cropping up in various industries and trades.

Zhang Ruoxian, vice chairman of the provincial People's Congress Standing Committee, presided over the session. "Attending the session were Sun Weiben, chairman of the provincial People's Congress; and Wang Jun, He Shoulun, Chen Liemin, Qi Guiyuan, An Zhendong, Ji Hua, and Zhao Qingjing, vice chairmen of the provincial People's Congress Standing Committee."

During the session, the participating members also discussed the measures of implementing the State Council temporary regulations on apportioning expenses to enterprises and the provincial regulations on combating the malpractice of collecting fees and raising funds blindly. "They urged the People's Congresses and the governments at all levels to make contributions to implementing the two regulations."

During the session, (Zhao Rongsheng), (Wang Ji), (Qin Songlin), (Zheng Shanrui), and (Wu Yulin), voiced their opinions on relieving the unreasonable burdens imposed on peasants and on dealing with the problems of uncleanness, chaos, and backwardness.

Chen Yunlin, vice governor of the province, also attended the session to hear the opinions raised by the members.

Oil Tank Explosion Reported in Changchun

SK2408052190 Changchun Jilin Provincial Service
in Mandarin 0930 GMT 23 Aug 90

[Text] On the morning of 23 August, the Changchun City Party Committee and the government held an on-the-spot meeting on fire prevention at the (Xiaonan) Fuel Supply Station of the Changchun City Fuel Company. Attending the meeting were responsible persons of more than 600 key fire-prevention units in Changchun City and in the five counties and cities [shi] under the jurisdiction of Changchun City.

At 0840 on 23 August, at the (Xiaonan) Fuel Supply Station of the Changchun City Fuel Company, a crude oil storage tank with a storage of 2,000 tons exploded and caught fire due to the operation against regulations by Ru Mingren, an electric welder living at this station. It is reported that this is the first major oil tank explosion accident ever in the province since the founding of the PRC.

At today's on-the-spot meeting, responsible persons of the Changchun City Party Committee and the government stressed that key fire-prevention units at all levels in the province should conscientiously organize and conduct a general inspection on fire prevention work, and should pay attention to grasping the implementation of fire prevention measures. Those who were involved in this accident should be conscientiously investigated and severely punished.

Robbers, Rapists Sentenced to Death

SK2408052790 Shenyang Liaoning Provincial Service
in Mandarin 2200 GMT 23 Aug 90

[Text] On 23 August, Dalian City held an open rally on dealing strict blows to serious criminal offenders. At the rally, a number of criminal offenders guilty of homicide, robbery, rape, and stealing, including He Pingsui, were sentenced to death or sentenced to death with a reprieve according to law. At the same time, 20 criminal offenders guilty of rape, robbery, stealing, and narcotics trafficking were arrested according to law.

Northwest Region

Gansu's Li Ziqi Views Family Planning Work

HK2408015590 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 22 Aug 90

[Text] The Gansu Provincial CPC Committee and the Gansu Provincial People's Government jointly held a meeting on family planning work on 21 August.

Li Ziqi, secretary of the Gansu Provincial CPC Committee, and Jia Zhijie, governor of Gansu Province, jointly wrote a congratulatory letter to the meeting.

In their letter, the two provincial leaders held that carrying out family planning work and controlling population growth is one of China's basic national policies. Family planning work has an important bearing on China's economic and social development and the future of the entire Chinese nation as well. This year, under the leadership of the CPC committees and people's governments in Gansu, various areas of Gansu have set off a large-scale upsurge of family planning, opened up new vistas for and gained fresh experiences in family planning work, and laid a solid foundation for regularizing Gansu's family planning work in the foreseeable future.

The two provincial leaders pointed out that despite all the achievements made by Gansu in her family planning work, Gansu's population situation has remained very rigorous to date. In view of this situation, all the comrades concerned in Gansu must make redoubled efforts to strengthen family planning work, attach equal importance to both family planning work and work aimed at shaking off poverty and achieving prosperity, extensively carry out activities of learning from Lei Feng, further improve leadership style and work style, improve

technological services to rural areas, raise work standards, greatly carry out education on the legal system among the people, and establish and perfect a family planning supervisory mechanism.

The two provincial leaders also expressed the hope that all areas of Gansu will conscientiously sum up their own successful experiences in doing family planning work, make continued efforts to push ahead with Gansu's family planning work, and achieve greater successes in family planning work in the future.

Zhang Xuezhong, vice governor of Gansu Province, and veteran Comrades Liu Xu and Liu Qiyang also attended the meeting and joined all the participants at the meeting in discussing specific ways and means aimed at promoting family planning work in areas inhabited by ethnic minorities and at regularizing, systematizing, and legalizing family planning work in all areas of Gansu Province.

Gansu Discipline Inspection Conference Ends

HK2208002290 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 20 Aug 90

[Text] The Gansu Provincial Conference on Discipline Inspection Work concluded in Lanzhou on 19 August. The conference was mainly held to relay the spirit of the recently concluded national conference on discipline inspection work and the national conference on party style and party discipline education, both of which had been held by the Central Discipline Inspection Commission.

The conference also studied and discussed specific ways and means aimed at further strengthening Gansu's discipline inspection work in the years ahead.

Provincial party and government leaders, including Li Ziqi, Jia Zhijie, Lu Kejian, Yan Haiwang, Wang Zhan-chang, and others, conferred certificates of merit on 16 advanced discipline-inspection organizations and 46 advanced discipline-inspection workers.

In its circular on commending advanced discipline-inspection organizations and cadres, the Gansu Provincial Discipline Inspection Commission stated that since the Third Plenary Session of the 11th CPC Central Committee, discipline-inspection organizations at all levels and the broad masses of discipline-inspection workers in Gansu have closely adhered to the CPC's basic line, strengthened party style building and clean-government building, conscientiously investigated inner-party discipline-violation cases, and made important contributions to Gansu's reform and opening up to the outside world, Gansu's campaign aimed at improving economic environment and rectifying economic order, and to maintaining political, economic, and social stability in Gansu.

The circular called on all the discipline-inspection organizations and the broad masses of discipline-inspection

workers in Gansu to conscientiously learn from the advanced discipline-inspection units and workers, brace up, and make concerted efforts to push ahead with Gansu's discipline-inspection work in the years to come.

Shaanxi Witnesses Steady Economic Growth

HK2408064790 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 23 Aug 90

[Text] Statistics released by the Shaanxi Provincial Planning Commission showed that Shaanxi's provincial national economy witnessed a steady growth in the first half of this year.

This year, Shaanxi's total summer grain output once again exceeded 5 million tons. Leaders in Shaanxi have attached utmost importance to agricultural production. Banks in Shaanxi increased their agricultural loans by 120 million yuan. Shaanxi also built 14 major water conservancy projects and 10 commodity grain-producing projects.

Shaanxi's township and town enterprises also witnessed a rapid development amidst the campaign aimed at improving economic environment and rectifying economic order and yielded an output value of 7.3 billion yuan, representing a 12-percent increase over the corresponding period of last year.

The Shaanxi Provincial People's Government further strengthened organization of and leadership over industrial and communications productions. As a result, Shaanxi's industrial production gradually picked up. By the end of June, industrial output value at and above the township level had reached 12.53 billion yuan. Shaanxi's production of energy, raw materials, agriculture-oriented products, and daily necessities also witnessed a substantial growth compared with the corresponding period of last year.

Shaanxi made a total of 1.7 billion yuan of investment in her capital construction projects, of which investment in agriculture, energy, and communications projects accounted for 66 percent.

Shaanxi's bank deposits and loans also witnessed a sustained growth. Shaanxi also further readjusted and rationalized her loan structure and invigorated her urban and rural market.

Zhang Boxing Meets Conference Participants

HK2208053890 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 21 Aug 90

[Text] On 20 August, provincial leaders, including Zhang Boxing, secretary of the Shaanxi Provincial CPC Committee, and An Qiyuan, deputy secretary of the Shaanxi Provincial CPC Committee, held talks with some prefectural, city, and county CPC committee secretaries and deputy secretaries who are currently attending the Shaanxi provincial conference on grassroots party organization building in Xian.

Comrade Zhang Boxing and Comrade An Qiyuan discussed with all the local cadres specific ways and means aimed at further strengthening grass-roots party organization building.

During the discussions, Zhao Yimin, deputy secretary of the Weinan Prefectural CPC Committee; Yao Shangfa, deputy secretary of the Yanan Prefectural CPC Committee; Zhao Guoyin, of the Tongchuan City CPC Committee; Wei Zheshan, deputy secretary of the Shangluo Prefectural CPC Committee; Liu Jiantong, secretary of the Baoji County CPC Committee; Wang Zhaoqi, secretary of the Dali County CPC Committee; Wang Jingtang, secretary of the Lingtong County CPC Committee; and other local cadres exchanged their experiences in implementing a series of instructions issued by the CPC Central Committee and in strengthening grass-roots party organization building.

After listening to the speeches made by local cadres, Comrade Zhang Boxing put forward the following five demands on the work of strengthening grass-roots party organizations:

1. To comprehensively and correctly implement to the letter the CPC's basic line, adhere to economic construction as the center, and further promote organizational and personnel building of party organizations at the grass-roots level;
2. The principal leaders of the CPC committees at all levels in Shaanxi must personally take charge of grass-roots party organization building, carry out investigations and research, and actively support and guide the work of strengthening grass-roots party organizations;
3. To strengthen leading party organs at township and town levels;
4. To strengthen building of party branches in the rural areas;
5. To strengthen system building, this being an important guarantee for strengthening grass-roots party organizations.

Views Party Work

HK2308150990 Xian Shaanxi Provincial Service
in Mandarin 2330 GMT 22 Aug 90

[Text] On the afternoon of 21 August, Zhang Boxing, secretary of the Shaanxi Provincial CPC Committee; An Qiyuan, deputy secretary of the provincial CPC committee; and some other leaders held talks with some of the participants of the provincial conference on grass-roots party organization building, which is being held in Xian.

Comrade Zhang Boxing discussed with those leading comrades ways and means for strengthening party building work in the new historical period.

During their talks, some large-enterprise CPC committee secretaries said that since the Fourth Plenary Session of the 13th CPC Committee, they have conscientiously implemented the circular of the CPC Central Committee on strengthening party building work, adhered to the principle of strictly managing the party, strengthened grass-roots party organization building, achieved marked results in all aspects of work, stabilized production and popular feelings of the broad masses of staff and workers, and further promoted both socialist spiritual civilization building and socialist material civilization building.

Comrade Zhang Boxing said that now, in carrying out party building work in various enterprises, it is necessary to properly handle the relationship between implementing the factory director responsibility system on the one hand and giving full play to the important role played by party committees on the other. The factory director responsibility system is a system formulated by the central authorities. This system should be implemented without reservation and perfected in practice. Party and government leaders in various enterprises must support and cooperate with one another in carrying out enterprise work.

Comrade An Qiyuan stressed that party organizations in various enterprises must attach great importance to building party groups at the grass-roots level and give full play to the vanguard role played by ordinary party members with a view to solving problems at the grass-roots level and promoting overall social stability.

Taiwan's Attitude Toward Repatriation Viewed

HK2408085590 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1153 GMT 16 Aug 90

["Roundup" by He Shan (4421 1472): "The Repatriation Tragedy on the Taiwan Strait"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 16 Aug (ZHONGGUO TONGXUN SHE)—Accompanied by Chou Chung-nan, commander in chief of the Taiwan Garrison Headquarters, a number of Taiwan legislators went to Su'ao Port in Ilan County on the 13th of this month to inspect the operations of repatriating mainlanders. That very night, while sailing, the boat carrying repatriates was struck by a Taiwan warship and sank, with 21 people drowning in the vast sea.

Prior to this, an incident had just occurred in which 25 mainlanders repatriated by Taiwan suffocated in a sealed ship cabin. Viewed in isolation, it can be said that these two homicide cases were accidental. However, on making a comprehensive survey, one cannot but view them as tragedies resulting from the existence of only one-way contact instead of two-way links between both sides of the strait.

Since Taiwan lifted martial law in mid-1987, there have been mainlanders going across the sea to Taiwan by fishing boats. Taiwan has always adopted a unilateral repatriation measure toward these "sneakers" from the mainland. The authorities first gather these people on confiscated mainland fishing boats, send them beyond the middle line of the strait, and then pay no more attention to them. During the whole process, no governmental or nongovernmental organizations from the mainland stand ready for assistance.

Since the occurrence of the homicide case in which 25 repatriates suffocated, public opinion in Taiwan has called for the speedy involvement of the Red Cross on both sides in repatriation work. However, by 13 August, Chou Chung-nan, commander in chief of the Taiwan Garrison Headquarters in charge of the repatriation

operations, still said: "This needs to be further thought out." In essence, he was still trying to avoid getting in touch with the mainland.

In fact, as early as last May when Taiwan Red Cross President Hsu Heng visited Beijing, the mainland Red Cross proposed setting up a channel in Jinmen or Mazu to directly repatriate illegal immigrants on both sides, and expressed the hope that the Taiwan side would treat mainland fishermen in a humane way. Yet, the Taiwan side has given no response so far.

Only when the two cases of deaths of repatriates had happened did the Taiwan National Defense Ministry decide that Red Cross personnel would participate in and witness the whole process of taking in and repatriating mainland "sneakers" in the future, while the military would carry out the repatriation in line with the principle of starting off early in the morning and arriving at the middle line of the strait before it is dark.

This slightly improved method of repatriation still fails to solve various problems, such as insufficient life-saving facilities on the repatriated boats and the difficulty of guaranteeing the safety of the repatriates. The principle of reaching the middle line of the strait for handing over before it is dark is all the more an attempt to shirk responsibilities.

Besides the present method of repatriation, are there any other safer and more appropriate methods to repatriate illegal immigrants between the two sides? The shortest distance between the mainland area and the Taiwan area is visible to the naked eye, so there should be no technical problems to set up a channel for direct repatriation. The crucial point is whether or not the Taiwan side is willing to drop its "posture" and discuss good plans with the mainland side.

To stop mainland residents from sneaking into Taiwan is the responsibility of the mainland side; yet it also depends on the cooperation of the Taiwan side. In my opinion, the two sides should first agree on the guiding principle for safe repatriation before discussing measures to stop people from sneaking. If the "no contact" policy is still persistently upheld and the current situation is allowed to continue unchecked, I am afraid that the tragedies of Chinese people dying of accidents while being repatriated from Chinese territory will continue to recur.

'Goddess of Democracy' Ship Opens as Museum
*OW2408073890 Taipei CNA in English 0349 GMT
24 Aug 90*

[Text] Tainan, Southern Taiwan, Aug. 24 (CNA)—The Goddess of Democracy opened Thursday [23 August] Tainan's Anping Harbor for a three-day public viewing before its official opening as a museum Saturday.

The failed radio ship was purchased by Tainan businessman Wu Meng-su for more than U.S. dlrs 500,000 from the "A Boat for China Association."

The association failed to obtain a transmitter in Taiwan to broadcast democracy messages, information and music from the ship to Chinese mainland to mark the first anniversary of the June 4, 1989 Tienanmen massacre.

The radio ship will officially open at 1:30 P.M. Saturday [0330 GMT on 25 August] in Anping Harbor where the Goddess anchored June 4.

The 20-year-old ship was allowed to open to the public Thursday as a non-profit operation.

However, harbor officials said the ship's owner would have to apply for permission to keep the ship open for an extended period.

Blame for Repatriates' Deaths Rejected
*OW2308182790 Taipei International Service
in English 0200 GMT 23 Aug 90*

[Text] ROC [Republic of China] Government Spokesman Shao Yu-ming on Wednesday [22 August] stated that the statement made by the communist Chinese NEW CHINA NEWS AGENCY blaming the ROC for the death of 29 mainlanders while being repatriated last week is full of holes and is unbelievable. Shao said the ROC Navy and Control Yuan are investigating the incident which occurred last week when a ROC naval patrol vessel and a fishing boat carrying the mainland

deportees collided, resulting in the death of 29 mainlanders. Shao noted that once the investigations are completed, the ROC will take whatever action as proper and will charge those responsible for the accident.

Yuan Passes Rules for Mainland Committee
*OW2308192390 Taipei Domestic Service
in Mandarin 2300 GMT 8 Aug 90*

[Text] The Executive Yuan convened a deliberative meeting on 7 August and passed the Draft Organic Rules for the Mainland Affairs Committee of the Executive Yuan and its Draft Organic Procedures.

The two drafts will be submitted together for discussion at the Executive Yuan's session to be held soon so that the Mainland Affairs Committee can be set up as soon as possible.

The mainland affairs committee will first be set up according to the draft organic procedures. After the draft organic rules are examined and passed by the Legislative Yuan, the organizational structure of the Mainland Affairs Committee will be readjusted accordingly.

Yuan Approves New Vice Foreign Minister
*OW2308170890 Taipei CNA in English 1459 GMT
23 Aug 90*

[Text] Taipei, Aug. 23 (CNA)—The Executive Yuan Thursday [23 August] approved the nomination of John Chang as political vice foreign minister of the Republic of China.

Chang, 49, of Chiang-hsi Province, graduated from Soochow University and earned a masters degree from Georgetown University in the United States. He has served as director of the North America Department of the Foreign Ministry and administrative vice foreign minister.

Chang now serves as director of the ruling Kuomintang's Department of Overseas Affairs.

Hong Kong

Businessman Li Chia-Cheng Supports Games

HK2208060290 Hong Kong WEN WEI PO in Chinese
21 Aug 90 p 12

[Li Chia-Cheng Opposes Imposing One's Opinions on Others"]

[Text] Li Chia-Cheng, chairman of Cheung Kong (Holding) Limited, said yesterday that Hong Kong is a free and democratic society, that everyone can have his or her own viewpoint and perspective toward things, and that he however does not agree to imposing one's opinion on others. He personally hoped that the Asian Games will be a successful event.

Recently, Li Chia-Cheng made a donation of 10 million Hong Kong dollars to the Asian Games, but he stressed that that was only a small contribution to the Asian Games.

Yesterday afternoon, a group of 30 persons belonging to a so-called "Joint Conference on Cancelling the Asian Games in Beijing" raised banners outside the hall where the "Exhibition on the Construction Projects for the 11th Asian Games" was under way. They put up pictures during the demonstration and disrupted order at the entrance of the exhibition hall. More than 20 police maintained order on the spot.

Hungary Applies To Set Up Office

HK2408024190 Hong Kong HONGKONG STANDARD
in English 24 Aug 90 p 1

[By Stanley Leung]

[Text] Hungary is set to become the first Eastern European country to open a formal representative office in Hong Kong, a move likely to open the floodgates for its neighbours.

The territory's ties with the Soviet Union and Eastern Europe are expected to grow significantly if the Hungarian plan is approved. The Government confirmed yesterday that it is considering a proposal from the Hungarian government.

A Government spokesman said it would be happy to see such an establishment in Hong Kong although more details of the application were needed.

Hungary is one of the Eastern European countries to have been transformed in the last year through major political reforms.

Other countries which could follow Hungary's lead include Romania, Poland, Czechoslovakia and Bulgaria.

The establishment of a Hungarian office may also bring about significant changes in Hong Kong's ties with Eastern European countries.

The application was unveiled just a few weeks after the Government relaxed its visa policy towards visitors from some Eastern European countries.

The relaxation will mainly benefit businessmen, sportsmen and conference delegates.

Since the recent political changes in Eastern Europe, tourism agencies and trade associations have urged the Government to lift restrictions on visitors from there.

The Government spokesman said applications to establish trade or other offices in Hong Kong are considered on their individual merits.

"Recently, the Hungarian government has been in touch with us about the establishment in Hong Kong of a representative office whose main function will be the promotion of trade between Hong Kong and Hungary.

"In response, the Hong Kong Government has said that it will be happy to see the establishment of such an office," the spokesman said.

The Government is currently waiting to hear more details from the Hungarian government, the spokesman added.

The application is being handled by the Security Branch and the Political Adviser's Office, equivalent to Britain's diplomatic office in Hong Kong.

A final decision is expected to rest with the Hong Kong authorities although the British government will be consulted. At present, most countries with diplomatic ties with Britain have a representative office in Hong Kong.

In theory, the Soviet Union and Eastern European countries may set up offices in Hong Kong as they have diplomatic relations with Britain.

However, the diplomatic presence of these communist countries in the territory has long been seen as a sensitive matter especially when Sino-Soviet relations were tense in 1960s.

In 1989, domestic exports to Hungary rose 65 per cent to HK [Hong Kong]\$29 million.

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